

1501

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 28,981

Monday January 24 1983

D 8523 B

Foreign affairs:  
Euro-dilemma  
for Bush, Page 15

London ... 10.15	Amsterdam ... 10.15	Frankfurt ... 10.15	Paris ... 10.15
Berlin ... 10.15	Rome ... 10.15	Milan ... 10.15	Naples ... 10.15
Genoa ... 10.15	Palermo ... 10.15	Catania ... 10.15	Syracuse ... 10.15
Trapani ... 10.15	Messina ... 10.15	Reggio Calabria ... 10.15	Cosenza ... 10.15
Crotone ... 10.15	Vibo Valentia ... 10.15	Lecce ... 10.15	Bari ... 10.15
Foggia ... 10.15	Benevento ... 10.15	Avellino ... 10.15	Campania ... 10.15
Salerno ... 10.15	Castell'Gardino ... 10.15	Verona ... 10.15	Trento ... 10.15
Bolzano ... 10.15	South Tyrol ... 10.15	Italy ... 10.15	Europe ... 10.15

## NEWS SUMMARY

### GENERAL

**Strauss says zero option not realistic**

German Chancellor Helmut Schmidt said the Western "zero option" plan under which the Soviet Union would destroy all its intermediate-range nuclear missiles is unrealistic.

He said that the most that could be expected from the U.S.-Soviet negotiations in Geneva was that Moscow would agree to give up some SS-20 missiles, which would mean that the West would have to provide a counterweight. Page 16

In Britain, public opinion is growing more opposed to the siting of cruise missiles in the UK, but a majority is still against unilateral disarmament. Page 16

Leaders of seven non-Communist, left-wing governments urged the Soviet Union and the U.S. to negotiate seriously on arms reduction. Page 2

**U.S. nuclear warning**  
U.S. Nuclear Regulatory Commission is to warn all utilities of the risks from substandard pipes fraudulently supplied over 10 years, some of which may have been used in reactor cooling systems and reprocessing plants. Page 2; technical report, Page 10

**Portugal may vote**  
Portugal's President, General Antonio Balsemão, was expected to announce the dissolution of Parliament last night, leading to a general election.

**Habib-Begin talks**  
U.S. Middle East envoy Philip Habib met Israeli Premier Menachem Begin in Jerusalem last night amid signs of a deepening rift between the two countries over terms for an Israeli withdrawal from Lebanon. Page 16

**Polish forecast**  
The final lifting of martial law in Poland could be in mid-year, said Politburo member Tadeusz Porebski.

**New 'phone tapping**  
Former Justice Minister in the previous Haughey Government in Ireland, Seán Doherty, revealed that a third journalist, Vincent Browne, editor of a news magazine had had his telephone tapped. Page 2

**Israeli proposal**  
Two Israeli Ministers have proposed a law to forbid Israelis to meet members of the Palestine Liberation Organisation.

**Sinai water project**  
Water from the Nile will flow to the Sinai desert next month, siphoned through a new pipe system.

**Talks on Belize**  
Britain, Guatemala and Belize today renew attempts to settle Guatemala's claim to Belize, the former British Honduras.

**Soldier stabbed dead**  
Vechta, West Germany, magistrate ordered the detention of one Italian and the arrest of two others after a British soldier was stabbed dead and four others wounded after a fight outside a bar at Damme, near Osnabrück.

**Benin opens borders**  
Benin opened its borders to most West Africans ordered out of Nigeria as illegal aliens - but refused admittance to Ghanaians.

**Briefly ...**  
Heliporter exploded near Anzio, Italy, after its propeller tangled with an electricity cable, killing all four aboard.  
Thousands were left homeless by a fire in the Mathare Valley shantytown, Nairobi.

### BUSINESS

**UK move to combat financial frauds**

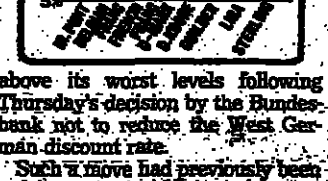
Officials from the UK Treasury, the Bank of England, the Home Office and the Department of Trade are working on plans for more effective policing of London's financial community, particularly to stop fraud, which is on the increase. Page 16

**SOVIET aid to its supporters** has become a significant drain on its limited resources, says a Nato study. Page 2

**SYRIA** is allocating 54 per cent of its budget to defence, according to Damascus radio. Page 2

**THE D-MARK** lost ground in the European Monetary System last week, reflecting nervousness ahead of the March general election. However, it ended the week a little higher. Page 16

**EMS January 21, 1983**



above its recent levels following Thursday's decision by the Bundesbank not to reduce the West German discount rate.

Such a move had previously been widely discounted, but towards the end of the week the market attitude changed after no fall in the U.S. discount rate materialised.

The Italian lira was the strongest currency by virtue of its wider divergence allowance, with the Dutch guilder remaining in second place. The Swiss franc slipped to the bottom of the EMS, displacing the Belgian franc, which benefited from the weakness of the D-Mark.

The chart shows the two constraints on European Monetary System exchange rates. The upper grid, based on the weakest currency in the system, defines the cross rates from which currencies (except the ERM) may move more than 2 1/2 per cent. The lower chart gives each currency's divergence from its "central rate" against the European Currency Unit (ECU), itself a basket of European currencies.

**A RECORD** number of UK companies went into liquidation in 1982, according to provisional figures from the Department of Trade.

A total of 12,039 companies failed, an increase of 40 per cent over 1981 and more than in any other year covered by the department's records.

**ZIMBABWE'S** petrol supplies have improved to 75 per cent of normal consumption. Page 2

**SPANISH** Premier Felipe Gonzalez forecast a budget deficit of Pta 1,200bn (\$8.3bn), instead of the Pta 778bn forecast by the former Government. Page 2

Spain attracted 42m visitors last year, a 4.7 per cent increase on a record 1981.

**YUGOSLAVIA** has lifted the limit of \$250 a month for private foreign currency withdrawals from banks.

**AUSTRIA'S** unemployment and inflation rates are well below the OECD average. Today's Statistical Trends analysis reveals the background. Page 4

**GULF OIL** on EIA Aquitaine have agreed to buy three Beatrice Sea sections from BP Alaska Exploration for \$58m. Page 2

**AMERICAN BRANDS**, the U.S. tobacco group has reported net earnings of \$103.8m or 41.6¢ a share for the fourth quarter of 1982, compared with \$102.8m in the same period of last year. Details, Page 18

## Italian unions and employers agree to cut scala mobile

BY JAMES BUXTON IN ROME

The scala mobile, Italy's highly protective system of wage indexation, is at last to be changed after more than 18 months of negotiation. Unions and employers agreed in Rome at the weekend to reduce by more than 15 per cent the extent to which it compensates wage-earners for price inflation.

The agreement - an important boost to the Government of Sig. Amintore Fanfani - was initiated last before midnight on Saturday, after nearly a fortnight of non-stop talks involving the Government, unions, and employers. Up to the last moment, there was doubt whether Confindustria, the employers' association, would sign. Sig. Vittorio Merloni, its president, had threatened to resign unless he obtained a satisfactory clarification of an important part of the agreement.

The formula finally agreed for the scala mobile, and wage rises falls far short of what the employers had originally demanded, while the tax and other concessions that the Government made in order to steer both sides to an agreement will add to its vast budget deficit. But the unions also gave ground. In view of the symbolic importance of the scala mobile to Italy's political equilibrium and the long-sustained refusal of the Communist part of the union movement to make real concessions over it, the agreement of January 23 may come to be seen as historic.

The fact that it was reached at all owed much to the effort of Sig. Vincenzo Scotti, the Christian Democrat Labour Minister, who on Saturday evening produced a draft agreement based on prior findings of both sides, who had failed to agree voluntarily. He told both parties firmly to "take it or leave it".

The aim of the agreement is to get the inflation rate down to an average of 13 per cent this year from its present 16 per cent, and to 10 per cent in 1984.

The scala mobile, which since 1975 has given protection, in the case of lower-paid workers, against about 80 per cent of inflation, is to be modified from next month to cut by 15 per cent the compensation given for each point on the index; in addition, the effect on prices of future increases in value added tax will be removed from the index.

If inflation exceeds the agreed target for the year, no compensation will be given for the effect of any rise in the dollar against ERM currencies. The total effect is expected to be a reduction in the protection against inflation of about 18 per cent; Confindustria had originally asked for 50 per cent.

As part of the settlement, basic wage rates can rise in contract agreements by a maximum of L100,000 (\$71.50) a month by mid-1985.

Working hours are to be reduced by 40 hours a year by mid-1985. This means a cut of slightly less than an hour a week on the basis of the 47-week year which Italians work. It was on this issue, strongly contested by Confindustria, that Sig. Merloni has threatened to resign.

To help obtain an agreement, the Government has agreed to adjust tax rates to protect workers from the effect of fiscal drag, take over some of the cost of social security contributions from employers, and raise some social security benefits. It has also agreed not to raise charges for state services, such as public transport and electricity, by more than 13 per cent this year as it has originally intended.

According to one unofficial estimate, the cost of concessions above what the Government had originally intended.

Continued on Page 16

## Backing for Nakasone's stronger defence posture

BY JUREK MARTIN IN TOKYO

MR YASUHIRO NAKASONE, the Japanese Prime Minister, has secured the provisional support of his ruling Liberal Democratic Party for a renewed drive to amend the National Constitution to enable Tokyo to take a more substantial defence posture. He has also agreed to a fresh bilateral study with the U.S. on ways in which Japan might assume some of the present U.S. responsibilities for defence of the western Pacific sea lanes.

The party's annual convention at the weekend pledged itself to seek the people's backing for constitutional change, thus bringing into the forefront of politics a long-simmering issue, which was brought back to the boil last week by Mr Nakasone's trenchant public comments during his visit to Washington.

The Prime Minister, with considerable support inside the LDP, has for years made no secret of a desire to rewrite the so-called "peace constitution" drafted largely by the U.S. occupation authorities 30 years ago, which limited the Japanese

military to a narrowly defined self-defence role.

But the heightening of the constitutional question comes at the start of a week of unusual tension in Japanese politics. This will be kicked off today, when Mr Nakasone and his principal Cabinet officers make major policy speeches to the Diet (parliament) which will address, in part, Japan's international role.

But the public eye is probably more firmly fixed on Wednesday when the Government prostration due to make known the sentence that it wants imposed on the former Prime Minister, Mr Kakuei Tanaka, on charges that he accepted \$2m in bribes while in office to promote the sale of Lockheed aircraft to All Nippon Airways.

Mr Tanaka, Prime Minister from 1972 to 1974 and still a major force in Japanese politics, is widely seen as one of Mr Nakasone's principle mentors. Public perception of Mr Nakasone's handling of the climactic case of the six-year-long case against Mr Tanaka, on which a judicial verdict is expected in the autumn, will be a determining factor in the Prime Minister's political future, and thus of the policies he wishes to implement.

On his return to Japan from Washington on Friday night, Mr Nakasone finally confirmed after much equivocation that he had indeed told the Washington Post, in an interview last week, that inter alia he wanted Japan to become "an unshakable aircraft carrier" against Soviet aggression.

He insisted, however, that he had not used the same words in his direct conversations with President Ronald Reagan.

In his speech to the LDP convention, the Prime Minister, clearly aware that opposition to his statements had also surfaced inside his own party, adopted a softer line. He said he had told Mr Reagan that Japan would stick to its post-war principles of never acquiring a nuclear capability, and never aspiring to be a major military power again.

He reported on what he described

Continued on Page 16

## Britain prepares for all-out strike by water workers

BY PHILIP BASSETT IN LONDON

BRITAIN was still heading for its first all-out national water strike last night despite intensive talks at the weekend during which water employers twice improved their pay offer.

The country's 10 regional authorities were last night bracing themselves for the strike, due to start at midnight. Water supplies to various pockets throughout the country were disrupted during the weekend as pipes burst and water workers hammering overtime refused to repair them.

In several areas standpipes were erected in streets to maintain supplies after supervisors valued off ruptured mains. Most notably affected were areas in South Wales, Essex, north London and Greater Manchester, where people were advised to boil their tap water.

Strike action seems certain today

at least in some areas which have been noted for their militancy, such as the North-West and the North-East, as the lengthy talks made impossible a formal suspension of the threatened action. Senior union officials involved said last night that the strike was "inevitable".

The fact that the discussions last night still seemed to be inching towards a settlement may dissuade some of the industry's 28,000 manual workers from taking action, but enough of a response to the strike call seems likely to cause considerable disruption.

Unions involved yesterday set up special strike and communications centres around the country and employees were armed with picketing instructions for this morning. Troops will be standing by today if the action threatens public health and safety.

The main sticking points in the discussions still seem to be the level of this year's pay increase and the water workers' long-standing claim for an improvement in their relative position in the national manual workers' annual earnings "league".

Following discussions on Saturday, when the National Water Council raised its 4 per cent offer to 5 per cent, union leaders yesterday considered a further improvement in the offer, which took it to a rise of 5.9 per cent on the industry's wages bill.

The second offer provided for increases of 5.1 to 5.5 per cent on basic rates. Increases in shift and service payments pushed up the overall offer. Employers also retailed proposals first put forward last August for flexible working in the industry.

## U.S. will aim to stimulate economy

By Anatole Kaletsky in Washington

THE REAGAN Administration has shifted decisively to stimulate the U.S. economy and future policy will aim to avoid a recurrence of the high interest rates, "restrictive monetary policies" and fears about uncontrolled budget deficits which have blocked economic recovery during the past year.

These were the main themes of a wide-ranging TV interview given yesterday by Mr Donald Regan, the U.S. Treasury Secretary.

President Ronald Reagan will formally present the outline of his new economic plan tomorrow night in his State of the Union address.

Mr Regan said the Administration would be forecasting a growth rate of 3.2 per cent between the fourth quarters of 1982 and 1983, with a "much more stimulative" economy by the end of this year. He effectively acknowledged that "contingent" tax increases of \$135bn in the years beyond 1985 would be proposed in the President's 1984 Budget and said that reducing deficits to 2 per cent of GNP - or less than \$100bn - would be "entirely possible". But he would not officially confirm the tax increases, saying that he could not pre-empt the President.

The Administration's primary concern was to stimulate the economy now, Mr Regan repeatedly stressed. The policies to achieve this were already in place he believed. "We definitely have a stimulative-type policy - the deficits are stimulative, provided you do not overdo them, the money supply has been growing at a good rate and there is another tax cut coming in July," he said.

The concern about excessive monetary relaxation expressed last week by Mr Paul Volcker, the chairman of the Federal Reserve Board, applies only to future years in Mr Regan's view. Mr Volcker realised that the first thing now is to get the economic regeneration and accommodative monetary policy is necessary," the Treasury Secretary said.

Explaining why the Administration's large budget deficit in the past had failed to produce an economic recovery, Mr Regan pointed out that "unfortunately, the stimulus of fiscal policies ran

Continued on Page 16

Editorial comment, Page 14

## Oil exporters struggle in bid to set quotas

BY RICHARD JOHNS IN GENEVA

MINISTERS representing the Organisation of Petroleum Exporting Countries were struggling last night, in an atmosphere of apprehension and gloom, to agree production quotas for individual member states, and a collective output low enough to protect the badly eroded reference price of \$34 a barrel.

Saudi Arabia and Kuwait insisted last night that the differential should be widened between the reference price and the rates for premium African crudes produced by Algeria, Libya and Nigeria. The present national margin is \$1.50 a barrel but the Gulf camp wants it raised to between \$3 and \$3.80.

Any hope of compromise seemed to depend on a collective recognition of the potentially catastrophic consequences for producers, if effective discipline is not applied.

Opec's difficulties have been compounded by the fact that its combined production has dropped to little more than 17m barrels a day (b/d), compared with a ceiling of 18.5m b/d, agreed when ministers met in Vienna five weeks ago. The decline is attributed largely to postponement of purchases by custom-

ers, while uncertainty over the price level continues.

With Opec more sharply polarised between the Arab producers of the Gulf and other members, Saudi Arabia is under growing pressure from the majority to bear the burden of any cuts in output.

In return for a major Saudi "concession" - a reduction of the kingdom's present output ceiling from 7m b/d to 4.5m-5m b/d - Iran and Libya, the producers most flagrantly disregarding the individual quotas, would evidently be prepared to undertake at least to reduce their output.

Optimism about reaching a compromise was based largely on the greater flexibility which Iran and Libya have shown in recent ministerial contacts over the past week.

The situation has been complicated, however, by the tough stance shown by Venezuela, the other member to have made no effort to hide its renunciation of quotas originally agreed 10 months ago under an overall limit of 17.5m b/d.

Delegates from Caracas say that

Continued on Page 16

## Occidental writes off \$85m on ENI deal

BY PAUL TAYLOR IN NEW YORK

OCCIDENTAL PETROLEUM, the U.S. energy group which last year paid \$4bn to acquire Cities Service, will make a \$85m charge against fourth-quarter earnings as a result of its decision to pull out of its loss-making joint chemicals venture with Eni, the Italian state oil company.

However, Oxy also revealed that it will use \$176m received as a result of the ending of the joint venture to reduce bank debts. The \$85m charge appears to represent the difference between the book value of Occidental's share in the project and what it received for its stake.

The charge, announced by Dr Armand Hammer, chairman and chief executive of Occidental, follows the announcement last month that the Enoxy Chemicals joint venture was to be dissolved because Occidental did not wish to join ENI with its planned purchase of various Montedison chemicals plants in Italy.

Occidental and ENI will continue

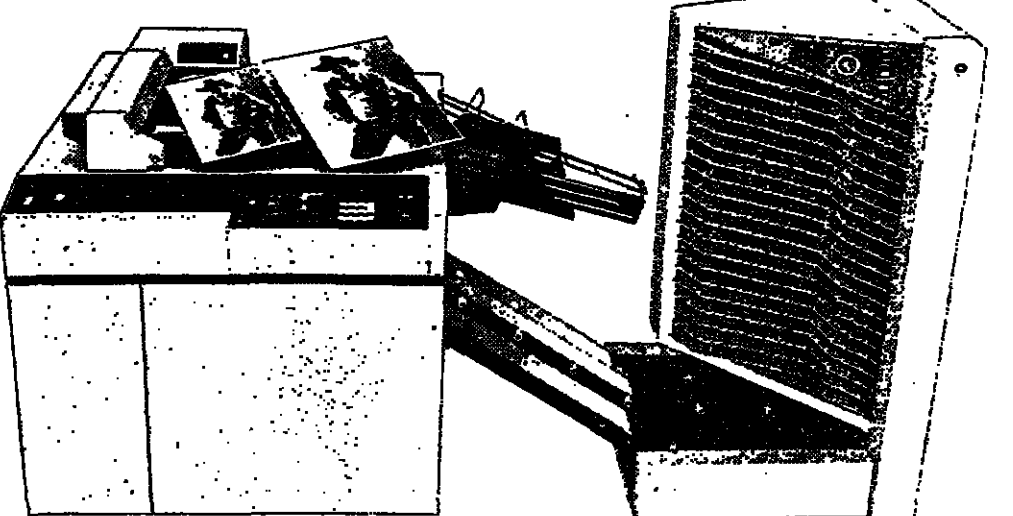
their co-operation in the Enoxy coal venture which owns four mines in the U.S.

Dr Hammer announced the fourth-quarter charge after presenting Continental Illinois and Manufacturers Hanover Trust, agents for \$1.9bn loan Occidental took out to help fund the acquisition of Cities Service, with a cheque for \$1bn.

The Occidental chairman said the repayment would reduce the company's interest payments by \$100m a year. Funds for the repayment were obtained through the sale of assets and cash balances. Occidental recently sold Cities Service's natural gas transmission business for \$500m.

He said the company hopes to pay off most of the remaining debt borrowed to finance the acquisition through the sale of assets this year and next. On Friday, Petrolene of Long Beach California, said it had agreed in principle to buy Cities Service's liquid propane gas business for \$30m.

## Our star's a match for Big John.



The Minolta EP710 is the biggest star in our range of plain paper copiers.

No role is too big for the EP710. Speed, versatility and reliability are just three of its many benefits. The EP710 delivers 30 A4 copies every 60 seconds, multiple copying up to 999 sheets with automatic count-down. It was the first copier to offer enlargement and reduction.

The EP710 can handle a wide variety of

original documents: single sheet originals, books, 3D objects, tracings, overhead transparencies - from A3 to A6.

Other stars in the Minolta range are the EP530R with a reduction facility, the EP530, which offers the same benefits but without reduction, and the smaller EP300 and EP320. All with Minolta's unique Micro-Toning System. So, whatever your copying needs, Minolta gives you star quality every time.

**EP710**  
Improve your image.



Please send me more information on the EP710 □ EP700 □ EP530R □ EP530 □ EP300 □ Please ring to arrange a demonstration □  
Send to: John Richards, Minolta (UK) Limited, 13 Tanners Drive, Blakehurst North, Milton Keynes MK14 5BU. Telephone: (0908) 615141. Telex: 835716.  
Name: \_\_\_\_\_  
Company: \_\_\_\_\_  
Nature of business: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_

FT 24/1

## CONTENTS

International ... 2	Europe ... 17
Companies ... 18, 22	Gold ... 19
World Trade ... 3	Italy Capital Markets ... 17
UK ... 5, 6	Letters ... 15
Companies ... 20	Lex ... 18
	Lombard ... 15
	Management ... 14
	Men and Markets ... 20
	Money Markets ... 19
	Stock Markets - Sources ... 25
	Wall Street ... 25
	London ... 25
	Technical Reports ... 16
	Weather ... 16

Europe: shorter working week is here to stay ... 14
Foreign affairs: Bush faces dilemma in Europe ... 15
Trade: Britain pressed on aid to Lebanon ... 3
Management: AT&T faces up to competitors ... 12
Editorial comment: U.S. tax policy; UK teaching ... 14
Lex: banking profits; the Bundesbank ... 16
Lombard: some good sense from Brussels ... 15
Technology: nuclear safety in space ... 10



## OVERSEAS NEWS

## More allegations in Ireland's phone tapping scandal

BY BRENDAN KEENAN IN DUBLIN

IRISH opposition MP's met yesterday in a state of near-total confusion as further revelations emerged in the Republic's telephone tapping scandal.

The former Justice Minister, Mr Sean Doherty, named a third journalist whose phone was allegedly tapped, and rank and file Fianna Fail MPs were expected to demand an explanation from Mr Charles Haughey, the party leader.

The Government of Dr Garret FitzGerald itself became seriously alarmed over the weekend by allegations that the British Embassy in Dublin had also had its telephones tapped. In the event, rumoured revelations to this effect from Mr Doherty never came, and he denies that he ever intended to make such a claim.

For the opposition Fianna Fail, the most serious damage so far has come from the conversation between two former ministers last year, which one of them secretly taped.

The man who was taped, Dr Martin O'Donoghue, denied claims that bribery was involved but admitted that he had said there were people prepared to help if the former Finance Minister, Mr Ray McSharry, was "financially compromised". Irish newspapers have been freely speculating that a sum of £100,000 (\$140,000) was discussed.

Mr Doherty said in a radio interview that the editor of an Irish news magazine, Mr Vincent Browne, had his telephone tapped, with the clear inference this was



Mr Charles Haughey

done during Dr FitzGerald's previous administration. The whole episode has shaken badly the confidence of the public and rank-and-file MPs in the working of the security services. Mr Haughey's leadership was not due to be discussed at yesterday's Fianna Fail meeting but Mr Doherty's concern could very easily turn into a new challenge to his leadership.

## Zimbabwe's petrol supply raised 15%

BY OUR HARARE CORRESPONDENT

ZIMBABWE has increased petrol supplies by 15 per cent, signalling a marked improvement in the country's fuel supply situation.

In an official statement at the weekend, the Government said petrol supplies would now be running at 75 per cent of basic consumption, while diesel supplies to the national railways and to the fuel bridging road fleet would be increased to 100 per cent of consumption. Other diesel-users will get 80 per cent of their requirements.

The improvement was foreshadowed in a statement to parliament by the Minister of Energy last week and follows the re-opening of the Beira-Mutare oil pipeline nearly two weeks ago.

The pipeline, which was out of action for five weeks after two sabo-

tage attacks - one on the Beira oil tank farm which supplies petrol to the pipeline and another on the pipeline itself early this month - can pump a month's consumption in 10 days.

In a separate development, the announcement that Mr Tom Moyana, Secretary for Economic Planning, will take over as new secretary of the unified Ministry of Finance, Economic Planning and Development, marks the second major change in Zimbabwe's economic management team in two months.

Early last month, Dr Kumbo Moyana was appointed as the governor of the Reserve Bank of Zimbabwe, while Mr Mswaka replaces Mr Brian Walters, who has been Secretary for Finance since 1981.

## Half of Syria's budget goes on defence

By Our Beirut Correspondent

THE SYRIAN Government has allocated 54 per cent of its budget for this year to defence amid signs that this Arab country is stepping up its armaments.

Mr Hamadi al Saei, the Syrian Finance Minister, said in his budget report this weekend to the Syrian parliament, known as the "people's council", that a total of 10,053bn Syrian pounds (\$2.6bn) went to the Ministry of Defence to secure what he called "the requirements of the Syrian forces in their heroic confrontation of Israeli aggression."

The total state budget figures were given by the minister as \$4.6bn. The budget figures were quoted by Damascus Radio monitored in Beirut.

The budget and its emphasis on defence had been laid down at a week-long meeting earlier this month by the 75-member central committee of the ruling Baath party under President Hafez Assad.

The budget announcement coincided with an article in *Al-Thahir*, the Syrian government daily newspaper, confirming that Syria has acquired new surface-to-air missiles from the Soviet Union. The newspaper was alluding to the long-range SA-5 missiles which have a range of between 150 and 180 miles and which will at an initial stage be operated by Soviet military crews.

President Assad on Saturday sent General Hikmat Chehab, his chief of staff, to Saudi Arabia with a message for King Fahd. The contents of the letter were not disclosed but Syria is known to be seeking additional financial assistance from oil-rich Arab countries for its new armament programmes, launched in the wake of the war with Israel in Lebanon.

In addition, Gulf and Elf have agreed to contribute \$14m to exploration costs in the area.

## Final end to Polish martial law in sight

BY CHRISTOPHER BOBINSKI IN WARSAW

MARTIAL LAW in Poland could finally be lifted by the middle of this year, according to Mr Tadeusz Porebski, a Polish member of the First Secretary in Wrocław in the south west of the country.

Speaking last week at the Pawlów locomotive works in Wrocław, Mr Porebski said that martial law would be lifted "this June at the earliest and December at the latest if the country is calm," according to the *Gazeta Robotnicza*, the local party paper.

Martial law is at present suspended and its lifting would return Poland to a state of East European normalcy, reducing the role of the military in political and economic affairs. It would mean, among other things, the lifting of additional censorship restrictions and the

extra limits now imposed on labour rights in key industries and on workers' self management.

Mr Porebski also dismissed speculation that the Pope might not be allowed to come as planned on June 18. He revealed that the church and state had already agreed that a formal invitation would be sent to the Vatican in March.

The authorities will no doubt seek guarantees that the Pope's visit, with its accompanying crowds, will not destabilise the political situation. The Church, with an eye on the Vatican's relations with the Soviet Union and with the rest of Eastern Europe, will no doubt want to set the authorities' mind at rest on this issue.

However, the Church will want assurances that restrictions

are being eased and that the prisons are being emptied of the 1,000 or so detainees sentenced under martial law regulations. If martial law was lifted in June, as suggested by Mr Porebski, this would nearly go a long way to satisfying the Church.

*Gazeta Robotnicza* also reported Mr Porebski answering questions on Zom, riot police heading innocent people during last year's demonstrations in Wrocław.

"They are people like us, some better, some worse, some more and some less excitable. If anyone has any illusions that the police use kid gloves anywhere in the world then they are mistaken," Mr Porebski said. "In any case, as far as I know a hundred or so have been dismissed," he said of the police

force. Reuter adds from Warsaw: Poland is planning 18 per cent price rises on gas, electricity, coal, cigarettes, petrol, coffee, and some kinds of fish, the *Warsaw daily newspaper Zycie* Warsaw said yesterday.

Apartment rents would go up by 100 per cent and alcohol by more than 13 per cent under a plan aimed at reducing an inflationary surplus of 450bn zloties (\$2.3bn), for which there were no goods on the shelves, the newspaper said. Workers and other groups would be consulted about the rises before they were introduced. Mr Zdzislaw Krasinski, the Prices Minister, said the increase in the price of alcohol, due at the end of this month, should deduct 50bn zloties from the surplus.

## Soviet overseas aid 'drain on resources'

BY OUR FOREIGN STAFF

MOSCOW'S aid to its client states in the developing world has become a significant drain on the Soviet Union's limited resources, according to a Nato study.

Economic aid and arms deliveries to 11 Communist or Communist-inspired governments amounted to nearly \$6.2bn in 1980 - half going to Cuba alone - \$1.2bn of the total, while the rest was in the form of project assistance, commodity subsidies and financial aid.

Although the total accounted for

the equivalent of only 0.4 per cent of Soviet gross national product, the study says this was near the limit of Moscow's aid capacity.

This was because of the need for development within the Soviet Union, lack of public support for foreign aid from a Soviet population still short of consumer goods, the economic requirements of Eastern Europe, and the cost of such aid in hard currency.

Relationships between Moscow and its developing-world clients would come under increasing pres-

sure as the need for economic assistance grew, says the report.

Nevertheless, it says, Moscow's will to impose sacrifices at home in return for political gains abroad should not be ignored.

The study coincides with the publication of a report by the Soviet Central Statistics Board that industrial output rose by 2.8 per cent last year, compared to a targeted 4.7 per cent. This is the lowest increase since the Second World War.

National income - the main growth indicator in Communist

economies - rose 2.6 per cent over the same period. Western economists say the Soviet economy may have reached a near zero real growth rate because the Board's figures take no account of inflation.

The survey showed that the Soviet Union failed to meet government targets in most key sectors apart from energy, where gas production reached 501bn cubic metres - 7.7 per cent more than 1981. Oil output totalled 613m tonnes, 4m tonnes more than the previous year.

## European Socialists call for 'serious arms talks'

PARIS - Leaders of seven non-

Communist left-wing governments today urged the Soviet Union and the U.S. to negotiate seriously on arms reduction, and called for co-ordinated efforts towards economic revival.

The Government chiefs made their call at a meeting organised by France's ruling Socialist Party

and attended by the Prime Ministers of Spain, Greece, Sweden, Finland and Senegal, as well as by Austria's Chancellor Bruno Kreisky.

On the defence issue, France was alone among those governments represented at the meeting in its strong support for the Nato decision to deploy new medium-range missiles if Moscow

fails to dismantle all its own SS-20 and older rockets.

Sweden's Prime Minister, Mr Olof Palme, who returned to power last November, said no one could win a nuclear war.

"The Western countries must ask themselves very seriously if the Soviets are prepared for serious negotiations for serious disarmament," Mr Palme said. In

an apparent reference to the Reagan Administration, he added: "Peace cannot be saved by martial statements. Peace must be saved through serious negotiation."

The U.S. and Moscow are shortly resuming talks in Geneva on reducing both long-range and European-based nuclear weapons.

Reuter

## Agreement on fisheries pact likely tomorrow

BY LARRY KLINGER IN BRUSSELS

EUROPEAN Commission officials are confident that full agreement will be reached tomorrow on a common fisheries policy (CFP) to embrace all the EEC's member-states and lay down the basic rules to govern European Community fishing into the next century.

Following visits by Commission officials to the EEC's main fishing countries, including Britain, it is hoped Council of Fisheries Ministers will speedily approve the compromise measures hammered out in Bonn last week and accepted by the Danish Government and its parliamentary opposition.

While reviewing their opinions until the final text of the compromise has been studied, no member-state has rejected out of hand any of the proposed measures.

It was also thought that EEC Foreign Ministers, meeting in Brussels today, might formally give their backing to the compromise ahead of, or parallel with, the Fisheries Council. This would please Herr Hans Dietrich Genscher, West Germany's Foreign Minister, who as president of the EEC Council of Ministers, launched the round of emergency talks between Denmark and the Commission that produced the current compromise.

The new centre-right West German Government is anxious to demonstrate, in as many spheres as possible, that it is acting effectively on the international stage before the German elections set for March.

A fisheries agreement would be a major coup. It would remove a potentially protracted and quarrel, not least by removing immediately Denmark's need to pursue its European Court cases over the issue against Britain and the Commission.

The minority Danish Government was prevented by its parliamentary committee on EEC affairs from accepting a similar compromise at the end of last year.

Details of the compromise have not been made known officially, but it now appears that proposed future commitments are on offer to secure Danish quotas for cod and mackerel for a longer period than the more temporary arrangements proposed at the end of the year.

This compromise, Commission leaders believe, now not only has met Denmark's main requests but satisfies the other member-states.

## Washington lobbies EEC for East-West progress

BY JOHN WYLES IN BRUSSELS

WASHINGTON has begun applying new pressure on its European allies in Nato to reach concrete agreement on the question of East-West economic relations in time to be given a formal blessing at the Western economic summit to be hosted by President Ronald Reagan at the end of May.

A call for early and tangible progress has been made in a letter to the heads of governments from Mr George Shultz, the U.S. Secretary of State. According to diplomats in Brussels, Mr Shultz's move is a signal that the White House wants to mark a Western accord on the issue when the heads of governments of the seven leading Western economies meet for the summit at Williamsburg in the U.S.

It is also seen as underlining U.S. dissatisfaction with the relative lack of progress made with the formula, which ended the damaging transatlantic confrontation over U.S. sanctions against European companies supplying equipment for the Siberian gas pipeline to Western Europe.

According to Washington, the peace formula envisaged some positive conclusions from the series of studies within the Organisation for Economic Co-

operation and Development on the supply of credits to the Eastern bloc. At the same time, the Cocon committee of senior officials from both sides of the Atlantic is supposed to agree on a series of strategic equipment to the East.

Mr Shultz's letter will be discussed by EEC foreign ministers at their meeting in Brussels today. In a response to U.S. pressure, the European Commission is urging member governments to take special steps to co-ordinate their positions.

Some capitals may have been taken aback by Washington's sense of urgency, since Mr Shultz was party to an agreement with his fellow Nato foreign ministers last December, which appeared to indicate that an accord on East-West economic relations had moved down the list of U.S. priorities. It remains to be seen whether his pressure for quicker results re-opens what has already proved to be a divisive problem in Nato. Discussions which have so far taken place are said to have produced very little consensus between the U.S. and the Europeans on a more restricted approach to sales of high technology equipment.

## Argentina arms ban may be lifted

The U.S. is seriously considering lifting its ban on arms sales to Argentina, which has been a similar embargo against Chile, the New York Times reported yesterday. Reuter reports from New York.

It quoted two U.S. Congressmen as saying that a bill to lift the ban against Buenos Aires seemed to have gained favour in the Reagan Administration.

## Benin shuts door on Ghanaian aliens

Benin opened its borders yesterday to most West Africans ordering out Nigeria as illegal aliens, but was still refusing admittance to Ghanaians, by far the biggest group involved, Benin police said. Reuter reports from Ibadan, Nigeria.

The decision means that, for the moment, the great majority of the estimated 11m Ghanaians affected are trapped in Nigeria.

## Dog in 4-year trek to find master

A dog which wandered more than 1,100 miles across Russia in a trek lasting nearly four years to find her master, the Soviet news agency Tass reported yesterday. Reuter reports from Moscow.

It said that Verna, a German Shepherd dog, had been left behind with friends by her owner when he moved from the town of Kuybyshev to Moscow in Byelorussia. The dog broke her chain and ran away in April 1979 and began a trek which took her the width of Europe.

The owner said he was walking home one night in Moscow when he saw a "skinny, mangy dog" which was standing and staring at him with big eyes. The dog followed him to his flat and it was only there that he recognised her as his missing pet.

## Envoy optimistic on Afghanistan

Mr Diego Cordovez, the UN top negotiator on Afghanistan, said yesterday he is "optimistic" a political solution to the Afghan crisis can be found, AP reports from Islamabad.

Mr Cordovez, continuing a UN initiative started last year, said he is carrying a "good package of proposals" to put before the leaders of Iran, Pakistan and Afghanistan.

The UN envoy, who flew direct from Tehran, described his talks with Iranian leaders as "useful and constructive." He did not elaborate. He continues on to Kabul.

## Spain warned of tough year ahead

BY OUR MADRID CORRESPONDENT

SPAIN'S budget deficit for 1982 will be Ptas 1,200bn (\$8,020bn) instead of the Ptas 775bn forecast by the outgoing administration of the Union de Centro Democratico (UCD).

Sr Felipe Gonzalez, the new Socialist Prime Minister, announced the new figure in a televised broadcast at the weekend, in which he warned the country of a tough year ahead as it faced economic reality.

In his first television interview since he took office in December, Sr Gonzalez said that the UCD's defective handling of the economy was the main

problem inherited by the new Government.

The 1982 budget, which proposed a 60 per cent rise in the deficit, was extended in the autumn because of the elections. The Socialist Government is due to present its first budget in March.

At the end of this month, however, Sr Miguel Boyer, the Economy and Commerce Minister, is expected to present an interim budget, which could total Ptas 400bn to meet immediate obligations and debt payments before the main budget. The grim economic statistics

mentioned by Sr Gonzalez included an annualised inflation rate of 13.4 per cent at the end of November, against 14.4 per cent in 1981 and a jobless total at the end of December of 2.15m or 15.53 per cent of the labour force.

Unemployment remained the Government's chief priority and Sr Gonzalez restated an election promise to create 900,000 new jobs in the next four-year mandate. "1983 will be difficult," Sr Gonzalez said, "but 1984 will show an improvement and 1985 and 1986 will be better still."

## Shultz to face discrimination charges in Peking visit

BY TONY WALKER IN PEKING

ALLEGED economic and trade discrimination by the U.S. against China and foreign policy disputes will be raised in Peking next month during the visit of Mr George Shultz, U.S. Secretary of State.

Outlining topics to be discussed, a commentator in the latest edition of the official magazine, *Peking Review*, denied, however, that China wanted to distance itself from the U.S. and the Soviet Union.

The Chinese, the magazine said, based their position on their "judgment of the world situation rather than what is called equidistant diplomacy." Since the middle of last year, it has been apparent to most observers in Peking that China

has sought to steer a more even-handed course between the superpowers, handing out criticism of their respective activities in more or less equal measure.

American officials have complained recently about Chinese criticism of U.S. "hegemonist" activities. Mr John Holdridge, Assistant Secretary of State for East Asia, told U.S. businessmen in New York last month the U.S. expected "better from the Chinese than being lumped together with the Soviets as the cause of all the world's ills."

In the period after the normalisation of Sino-U.S. relations in 1979, China sought closer strategic cooperation with Washington, but abandoned this policy after difficulties emerged

over continued American arms sales to Taiwan.

"China has no intention of balancing the scales between the United States and the Soviet Union. We are against whoever seeks hegemony, be it the United States or the Soviet Union," the magazine said.

Trade disputes likely to be raised with Mr Shultz on his visit between February 2 and 6, include the U.S. decision to declare unilateral restrictions on Chinese textile imports.

The commentator identified U.S. support for Israel and South Africa in their "aggression and expansionism" as areas of foreign policy dispute between China and the U.S.

On his recent African tour, Zhao Ziyang, the Chinese Premier, expressed support for liberation organisations in Southern Africa in what he described as their "just struggle against racial discrimination."

Meanwhile, the latest edition of the authoritative fortnightly magazine, *World Affairs*, has sharply criticised Moscow over its recent attack on China's position on the Sino-Soviet border dispute.

The criticism of China's border claim was made in a Soviet publication, the *New Times*, and surprised observers because Moscow has been careful in recent months not to give offence to Peking in its efforts to improve relations.

Numerous indisputable and historical data and facts have

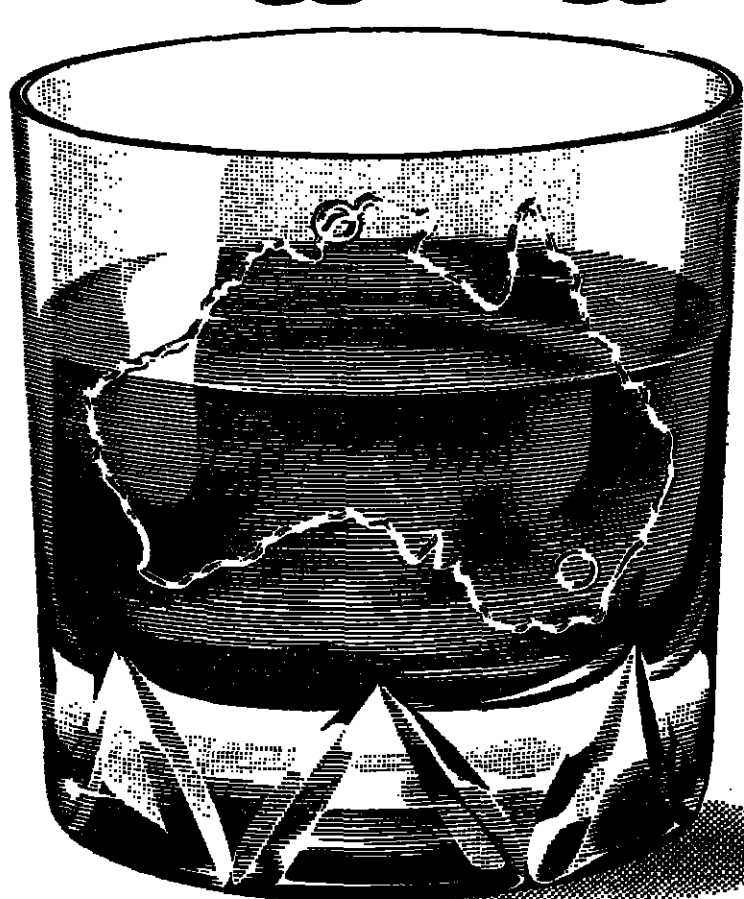
testified that... Tsarist Russia annexed 1.5m km<sup>2</sup> of Chinese territory through a series of unequal treaties imposed on China," *World Affairs* stated.

"The New Times observer's blame on China is totally groundless. This Soviet weekly still takes and even flaunts a crude and inglorious history of Tsarist Russia's aggression against China. This in itself is detrimental to the honour and dignity of the Soviet Union."

Chinese and Soviet officials are scheduled to resume discussions in Moscow in early March on normalisation of relations.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates \$350.00 per annum. Second class postage paid at New York, N.Y., and at additional mailing centres.

## From Darwin to Wagga Wagga.



**Johnnie Walker Red Label**  
THE CLASSIC SCOTCH WHISKY ANYWHERE.

150 000 000



## Iata head warns of chaos on Pacific

guaranteed credits for Lebanon's public sector reconstruction is unlikely to be activated for at least a year. Businessmen think that is an optimistic minimum for the security situation to improve and for contracts to be negotiated.

But the Department of Trade has told businessmen that aid for Lebanon is unlikely to be forthcoming.

There is a further difficulty. The favoured technique of supporting British business to maintain a competitive position through the use of aid is through the aid/trade provision in the ODA budget. But this is linked to particular orders and not to general commitments.

At the same time, acceding to Dr Atallah's request would mean a change in the present policy of the Export Credits Guarantee Department (ECGD). The ECGD is at the moment

providing cover for British exports to Lebanon involving up to 180 days credit, thus largely restricting trade to consumer goods. But if British companies take place in any reconstruction programme, ECGD would have cover credit deals running up

Increasingly vulnerable financially and paying compensation at record rates to exporters hurt by the non-payment of foreign business debts—£200m in the six months to October, the

ECGD is adopting a very cautious view of unstable Lebanon.

**World Economic**  
**UNEMPLOYMENT**  
Dec. '82

UK	000s	3,097.0
	%	13.3
U.S.	000s	12,036.0
	%	10.8
		Nov. '82
W. Germany	000s	2,038.2
	%	7.7

France	000s	2,161.0
	%	9.5
Italy	000s	2,533.4
	%	11.2
Netherlands	000s	611.6
	%	11.4
Belgium	000s	504.3
	%	10.2

Germany	000s	149.3
	%	14.9
		Oct. '82
Japan	000s	1,390.0
	%	2.4

Source: (8)

100

## UNEMPLOYMENT INDICES

UK	000s	Dec. '82	Nov. '82	Oct. '82	Dec. '81
	%	3,897.8	3,043.9	3,049.9	2,764.1
U.S.	000s	12,036.0	11,906.0	11,574.0	9,389.0
	%	10.8	10.7	10.5	8.6
W. Germany	000s	2,088.2	1,920.0	1,620.0	1,490.0
	%	7.7	7.3	6.9	6.7
France	000s	2,161.0	2,176.7	2,099.2	2,016.0
	%	9.5	9.6	8.9	8.9
Italy	000s	2,533.4	2,469.8	2,426.7	2,137.0
	%	11.2	10.7	9.7	9.7
Netherlands	000s	611.6	591.9	579.4	443.0
	%	11.4	11.1	10.8	8.5
Belgium	000s	606.3	601.3	600.1	518.0
	%	14.9	14.8	14.8	12.8
	Oct. '82	Sept. '82	Aug. '82	Oct. '81	
Japan	000s	1,390.0	1,340.0	1,300.0	1,220.0
	%	2.4	2.3	2.2	2.1

Source (except UK, U.S., Japan): Eurostat

Source (except UK, U.S., Japan): Eurostat

**JUST OVER 43m visitors**

Income from tourism for the period January to November stood at \$6.6bn, an increase of 5.2 per cent over the same period in 1981.

**nationalities entering Spain behind France and Portugal. Some 4.8m Britons entered Spain in 1982, a 19 per cent increase on the previous year.**

against 4.7m West Germans, a 4.9 per cent increase. The figure for France was 10.8m, a 2 per cent rise.

\_\_\_\_\_

*Cordon Bleu by Martell*

## STATISTICAL TRENDS: AUSTRIA

## Inflation, unemployment below OECD average

In common with nearly all OECD economies, Austria's growth rate in 1982 made a much weaker recovery than was originally expected. This year is unlikely to bring a sufficiently high growth rate to prevent unemployment rising further.

Inflation has fallen back, however, and remains lower than the OECD average, while the current balance position has improved. This is largely because of economic stagnation; any upturn is likely to pull in more imports.

Austria's comparative record on growth, inflation and unemployment has long been envied by other industrialised countries. The figures showing the 20-year change in employment and export structure reveal a shift from an economy in the 1950s depend-

ent on primary exports and agricultural employment now having the characteristics of an advanced economy.

While unemployment has edged up over the past two years, it still remains under half the OECD average. This is partly due to a reduction in the foreign workforce from a peak of 228,000 in 1973 to a current 150,000. But there are business fears that preserving jobs to avoid disrupting the "social partnership" could lead to a decline in Austrian competitiveness.

Some restructuring has occurred, notably in steel, in an attempt to concentrate on areas of production where export demand is stronger. Investment and productivity growth have slowed, but are still comparatively good.

The link with the D-Mark is widely seen as a root cause of Austria's good inflation record. This link is one expression of the dependence

of Austria on West Germany. In terms of merchandise, trade, and tourist receipts, which are very important in covering the trade deficit, West Germany is crucial to Austria's well-being.

There has not been any marked shift in the relationship, despite Austrian attempts to diversify their markets. This dependence is particularly worrying at present in view of the depressed state of the German economy.

Regionally, Austria's disparities are less marked than in many countries, but in terms of unemployment rates, there are significant differences.

The data on the role of the OIAG group of nationalised enterprises shows their importance, especially in exports and employment. If the companies controlled by the banks are also taken into account, 28 per cent of the industrial workforce is employed within this sector, and 30 per cent of the workers who work in plants of over 1,000 employees. But in terms of taxation and expenditure the Austrian state is nearer to France and West Germany than to the very high spenders.

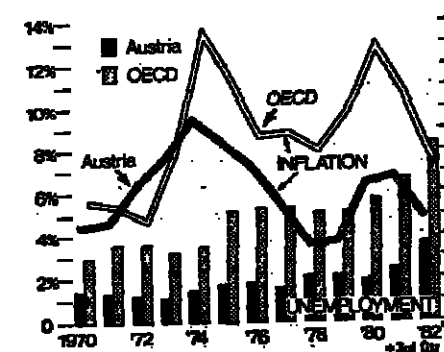
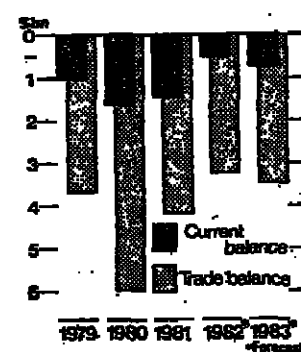
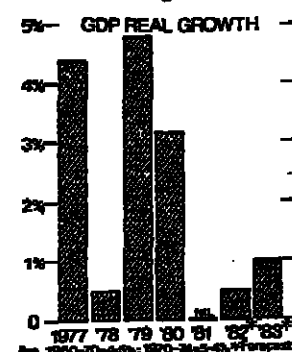
Trade with Eastern Europe has been more important to Austria than any other OECD country except Finland. But the growth of export markets in the East is now well below Austria's world average from being well above it in the early 1970s.

Exports to the East have been declining as a proportion of total trade. Austria in the past two years has had a rapidly increasing deficit with Comecon, largely due to rising fuel imports and stagnant demand for exports.

About 60 per cent of imports from the Eastern Bloc are energy products, accounting for a sizeable chunk of Austria's energy needs.

Austria's unique geographical position also accounts for the importance of its transit trade.

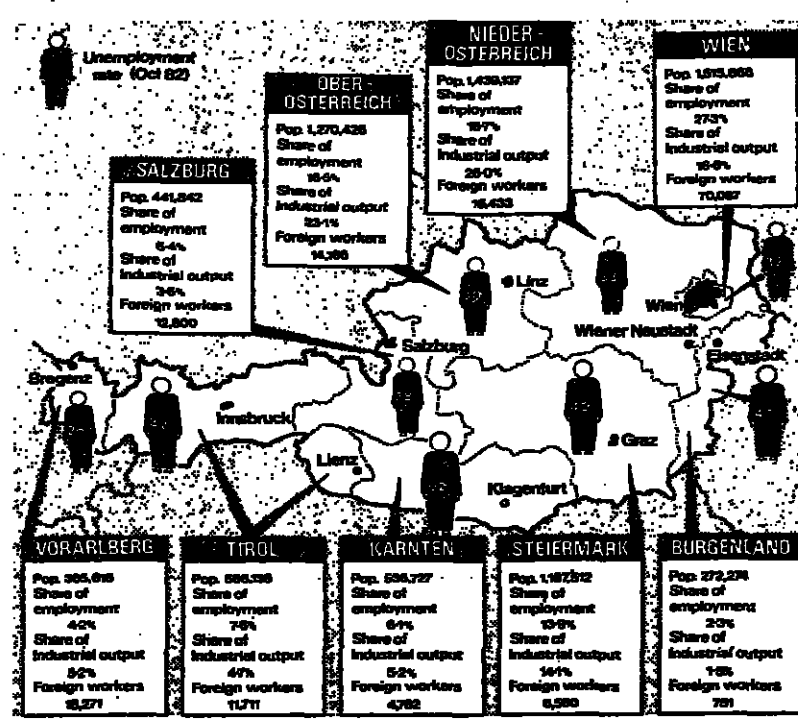
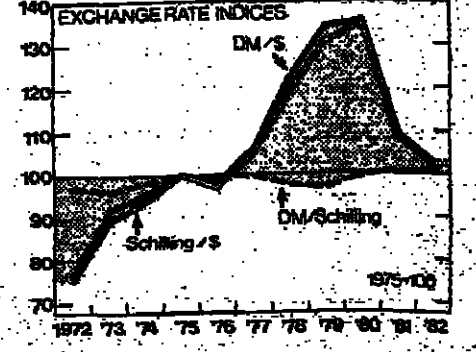
## Economy



INVESTMENT (% change)			
	1960-73	1973-79	
Real capital stock	5.0	4.3	
Capital per worker	4.9	5.1	
Real fixed capital	4.4	1.3*	

PRODUCTIVITY (% change)			
	1973-78	1978-82	
Austria	3.3	3.5	
OECD	2.4	3.0	

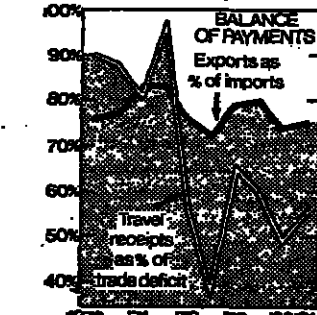


## State

ROLE OF STATE INDUSTRY (OIAG)			
	1980	1981	
Share of industry in GDP	21.8	20.9	
Value of production	Sch bn 492.1	525.0	
OIAG production	Sch bn 110.7	120.9	
Share of OIAG	22.5	22.9	
OIAG investment	Sch bn 9.2	7.5	
Share in industrial investment	27.6	19.3	
OIAG exports	Sch bn 46.7	53.4	
Share in total exports	20.6	21.1	
Employees in industry*	624.9	605.4	
OIAG share	18.1	18.2	

REVENUE & EXPENDITURE			
	Taxes (% of GDP)	OECD rank	Govt. income (% of GDP)
Austria	49	4	48.5
Norway	59	1	48.5
Sweden	55	2	51.7
Netherlands	52	3	42.8
France	48	5	46.2
Belgium	48	6	51.7
W. Germany	44	7	45.5

## Tourism



## Trade

TOURIST ARRIVALS AT HOTELS (By nationality %)			
	1977	1980	1981
W. Germany	58.0	58.5	58.8
Netherlands	6.9	8.1	8.3
UK	4.2	4.4	4.8
France	3.6	3.8	4.4
Switzerland	3.7	3.3	3.4
USSR	4.0	3.3	3.4
Belgium-Luxembourg	2.7	2.9	3.0
USSR & E. Europe	1.6	2.0	2.2
Total (000s)	7,835.6	9,684.6	9,888.6

## Trade with W. Germany

TRADE WITH W. GERMANY			
	Exports (% of total)	Imports (% of total)	Deficit (% of GDP)
1978	29.1	43.3	83.6
1979	30.3	42.3	82.1
1980	30.8	40.8	81.5
1981	29.1	38.9	80.4
1982*	29.5	40.4	81.1

## TRADE DEVELOPMENT

	USSR	E. Europe	World
Export growth*			
1965-70	7.2	8.9	12.3
1970-75	11.3	20.0	12.0
1975-80	11.4	2.7	11.4
Import growth*			
1965-70	8.6	7.9	11.0
1970-75	21.1	11.1	12.1
1975-80	19.8	9.5	14.1
Trade balance bn Scht			
1966-70	+0.2	+1.2	-14.4
1971-75	-1.0	+3.1	-32.0
1976-80	-4.2	+6.1	-67.2

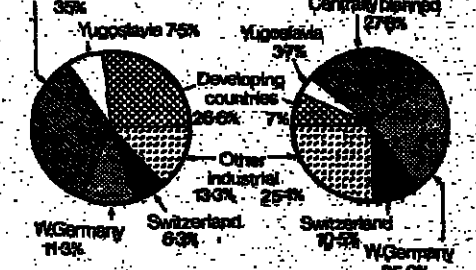
## EXPORTS TO USSR &amp; E. EUROPE

	1980	1981	1982*
Austria	12.0	11.5	10.4
Finland	19.8	26.4	27.9
Turkey	16.8	8.3	7.8
Greece	9.9	8.3	10.5
OECD Europe	4.0	3.8	3.5
Total OECD	3.4	3.2	3.2

## IMPORTS FROM USSR &amp; E. EUROPE, 1980

	% of East imports	% of total imports of commodity group
Agricultural	7.8	12.0
Raw materials	15.6	22.8
Fuels	57.2	35.9
Finished goods	19.1	2.6
Chemical products	5.7	6.0
Manufactures	7.4	3.8
Machinery	3.5	1.2
Consumer goods	2.4	1.6
All goods	100.0	9.7

## TRANSIT TRADE BY REGION



# Flying with us could be the best way of getting to places we don't even fly to.

NOT 1/2 PPR			
X/O	GOOD FOR PASSAGE BETWEEN POINTS OUTLINED	CARRIER	FLIGHT
FROM	LONDON	LHR	SR
TO	GENEVA	SR	833
TO	BEIJING	CA	196
TO	SHENYANG	CA	6114
TO	VOID	VOID	VOID

No airline in the world serves every airport. Swissair flies to 48 cities in Europe, 11 in the Near and Middle East, 10 in the Far East, 20 in Africa, 4 in South and 5 in North America. 98 of the world's airports in all.

But because flying with Swissair is so attractive to the knowledgeable international traveller, whatever his destination, we frequently find ourselves calling on the assistance of other airlines

to help some of our passengers to complete the final stage of their journey.

Like those travelling to Shenyang who have benefited from Swissair service on the long flight from Europe to Beijing. Or passengers bound for Brasilia or Porto Alegre who take a short local flight connecting with Swissair's intercontinental arrival at Rio de Janeiro.

Flying with Swissair you get good direct

connections from London, Manchester and Dublin; our straightforward two-class system with First and Economy both respecting the needs of business travellers; the opportunity for full fare passengers to choose their preferred seat and have it confirmed when booking; the fact that every row in Economy Class on our DC-10s has just eight seats and not the usual nine.

However remote or exotic your destination,

there's a good chance that Swissair can help you. At least you can enjoy our legendary service for most of your journey.

Indeed, flying with Swissair might be the best way of getting to places that our planes never reach.

swissair

150.1



## UK NEWS

## Labour to seek 'planned trade' and weaker £

BY PETER RIDDELL, POLITICAL EDITOR

THE LABOUR PARTY will emphasise, in the run-up to the next general election, that a mixture of devaluation and protectionism is needed to reinforce reflation.

This was made clear in weekend comments by both Mr Michael Foot, the Labour leader, and Mr Peter Shore, the Shadow Chancellor of the Exchequer.

Labour leaders believe that by concentrating on the rise in unemployment under Mrs Margaret Thatcher's Conservative Government and on their proposals for creating jobs, the Conservatives' lead in the opinion polls can be reduced as the "Falklands factor" wanes.

In television interviews on Saturday and yesterday, Mr Shore indicated that a lower exchange rate for sterling was still a key part of Labour's programme. This is despite the controversy over the 30 per cent devaluation over two years assumed in the preferred programme he outlined last November.

Mr Shore said it was "an absolutely fundamental condition of the revival of the British economy that we have a realistic and competitive exchange rate. We have not got it yet, although I notice we have had a sensible depreciation of 12 per cent under Mrs Thatcher."



Mr Shore: 'sensible depreciation'

He was reluctant to be precise about any further depreciation. "What I cannot easily do is to see, without the full panoply of Government, what is precisely the figure I should seek to achieve."

Mr Shore agreed that the Confederation of British Industry's view of Britain as being still uncompetitive by about 20 per cent was "in the order of reality," though this is in terms of measures of relative unit labour costs, not of the pound itself.

It is clear, however, that the 30 per cent figure will not be repeated and it is now being treated as relevant to a computer simulation done

last year and out-of-date now.

Protection, an accompanying feature of Labour's programme, was stressed by Mr Foot in a speech in Glasgow. He argued that Labour believed in planning both production and trade and strongly indicated that this meant internationally co-ordinated reflation and trade planning.

Mr Foot said that "those countries which are prepared to restore growth to their economies must be able to prevent their plans being undermined by floods of imports. What we want is reflation protected by trade planning. In that way some of the economic growth will happen here and some growth in imports will occur. All countries will benefit, and the more countries participating the better."

Such protectionism has been a part of Labour's policy for some time, though devaluation has been given more emphasis by Mr Shore.

Mr Shore is likely to have annoyed some Labour and trade union opponents of incomes policy by making it clear that moderation in pay rises would be an essential part of the overall bargain in the national economic assessment. He said he would keep his bargain if the unions kept theirs, otherwise his options would be reduced.

## Pressure group split over Benn

By Kevin Brown

NEW DIVISIONS within the Labour Party will surface publicly this week at the annual conference of the Campaign for Labour Party Democracy (CLPD). The pressure group has organised the agitation for many of the party's constitutional reforms in the past two years.

Supporters of Mr Tony Benn, the left-wing Member of Parliament, will be seeking to gain control of the CLPD at the conference when a new executive committee will be elected.

A counter-attack began yesterday when rank and file opponents of Mr Benn began to try to maximise the vote against his candidates.

Mr Benn's critics within the CLPD accuse him of trying to turn the pressure group into a personal power base. There is also concern that the "Bennites" are being used as a cover by Trotskyists coming in to the CLPD from other groups on the Left.

The CLPD is already split by a row between the supporters of Mr Benn and others on the executive committee over Labour's attempted purge of the extreme left-wing Militant Tendency members.

The anti-Benn faction expect the result of vote at the conference (to be held on Saturday) to be close.

## Why Tetra Pak chose the Wrexham Pack



When one of the world's largest producers of packaging materials and machinery for liquid foods started looking for a new U.K. home there was no shortage of offers.

Tetra Pak Rausing & Co. of Sweden studied a dozen locations throughout the U.K. and plumped for Wrexham.

Today, just two-and-a-half years after starting production, 1,500 million cartons roll from their Wrexham plant for the milk and fruit juice industries.

They like the adaptable and enthusiastic labour force, and the cash and grant assistance available thanks to Wrexham's Development Area status.

It's a mature, prosperous town in which new companies have invested over £100 millions in the last 10 years.

Find out why Tetra Pak chose the Wrexham Pack.

Mail the attached coupon to:

**Wrexham**

The Chief Executive Officer, The Guildhall, Wrexham LL11 1EX, Cheshire, North Wales or call Bob Dutton, Des Jones or Brian Pugh at Wrexham (0978) 344611.

Please send me your brochure and cassette showing why expansion industries in Wrexham have invested over £100 millions in the last 10 years.

Name

Address

Company

Wrexham, Britain's most central SPECIAL DEVELOPMENT AREA.

## Productivity deals fail to cut costs

BY PHILIP BASSETT, LABOUR CORRESPONDENT

SELF-FINANCING productivity deals have so far largely failed to cut costs, reduce inflation or increase output, according to a new government study.

The two-and-a-half year study, financed by the Department of Employment, amounts to an indictment of the emphasis on self-financing productivity arrangements by both the present Government and the previous Labour administration. It covers more than 1,000 managers, shop stewards and shopfloor workers in the period 1977-80.

"The basic aim of the government policy of encouraging self-financing productivity schemes was at least to hold down and preferably to reduce unit costs," says the report. But less than 2 per cent of schemes covered in the study even had this aim as their major objective. In only 13 per cent did management mention it as an objective at all.

Eleven per cent of companies running such schemes reported a reduction in costs. A further 9 per cent gave indications which suggested a probable reduction in costs. The study notes that "very few senior managers or sales managers saw the schemes as actually bringing about a decrease in price to the consumer."

Fewer than half the organisations studied claimed to have increased output as a result of productivity schemes. Very few organisations had even adapted their ac-

counting procedures to provide information by which the schemes could be monitored.

The study concludes: "From the point of view of a national economic policy directed towards reducing production costs and the rate of inflation, it must be concluded that the majority of those incentive payment schemes, as evaluated by management, were a failure."

Most schemes did not award only those wage increases justified by improved productivity. "A very high proportion of these organisations reported that one of their objectives in introducing the scheme had been to increase the earnings of their employees, and that they had succeeded in doing so."

The survey confirms the widespread belief that productivity schemes were brought in simply to get round the pay policy of the time. Companies were happy with their scheme "because it had enabled them to pay increased earnings during a period of incomes restraint."

A high proportion of organisations using the schemes to reduce manning succeeded in doing so, but the survey is sceptical about other more general suggestions about improved motivation or improved productivity.

"In a proportion of the cases there was no supporting evidence of improvements in economic indicators which would have substantiated the improvement."

## Consultants form plans for plant closures

BY IAN RODGER

THE successful conclusion last week of a £20m voluntary rationalisation scheme in the UK general steel castings industry has confirmed the value of a new technique for bringing about orderly contraction in overcrowded manufacturing sectors.

It is the third such scheme to be negotiated in the past year - the others were in high alloy castings and steel wire drawing - and the consultants involved are already working on plans for other troubled industries.

"We've got proposals in a number of sectors," Mr Peter Grant, the director of Lazarus Brothers which handled the steel castings scheme, said.

The idea came from the knowledge in the castings industry that overall demand was not going to recover to early 1970s levels in the foreseeable future.

However, many of the smaller and weaker companies either refused to face the inevitable or simply could not afford the costs of closing their foundries.

The industry was thus faced with the prospect of prolonged overcapacity, cut-throat pricing and inadequate returns.

Two years ago, the castings trade association, Scrata, proposed a solution. Companies would agree that a

certain number of foundries should be closed. Their owners (who would be called closers) should be compensated by those that continued (the openers).

Although this would be costly to the openers at a time when cash flows were weak, they could spread payments to the closers over a number of years.

Scrata discovered a provision in the 1970 Income and Corporation Tax Act which enabled the openers to deduct from taxable income any compensation paid to the closers.

Unfortunately, Scrata did not make much headway, largely because not all castings companies were members of it. It was then suggested that an independent consultant might be more successful, and Lazarus were appointed.

Mr Grant split the industry into two groups, those that made general castings and a far smaller group that made high alloy castings. Within a few months the high alloy scheme was completed and four of the 12 foundries involved closed last June.

Touche Ross were hired to try to negotiate a scheme for the bright bar sector and Deloitte, Haskins and Sells were working on another for narrow cold rolled steel strip. Later last summer, Touche Ross also took on the steel wire sector.

## Investment fund urged

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT is being urged to switch a substantial proportion of Britain's oil revenues into a national investment fund and an energy conservation programme.

Mr John Surrey, a leading energy research and senior fellow in Sussex University's science policy research unit, states that oil taxation revenues have been swallowed up

in current consumption, "thus shielding the taxpayer from the full social cost of industrial decline."

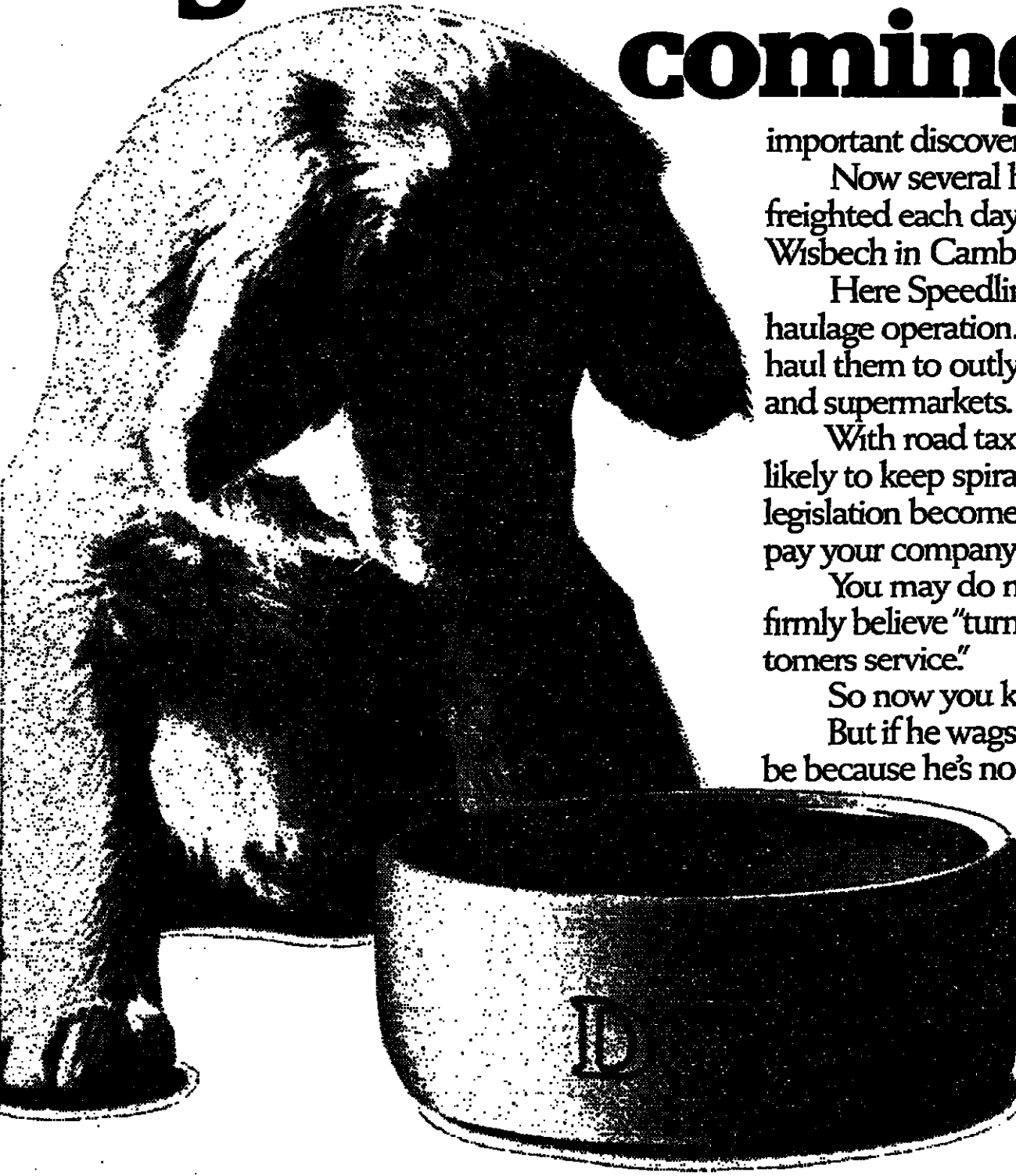
He argues, in the latest issue of Coal and Energy Quarterly, that a national investment fund should be established to finance profitable projects. He also proposes a conservation programme which would boost employment prospects.



Today most of Britain's canine population get their Kennomeat and Choice Cuts delivered by train. Including the customer shown here. It's since Spillers started using Speedlink, Railfreight's new distribution service.

Of course Spillers didn't decide to put their petfoods on the rails without going into it carefully.

## How to explain to your dog where his next meal's coming from.



important discovery to make.

Now several hundred tonnes of petfood are freighted each day from Barrhead, Scotland, down to Wisbech in Cambridgeshire.

Here Speedlink dovetails into Spillers local road haulage operation. Lorries pick up the goods and haul them to outlying depots for delivery to the shops and supermarkets.

With road tax, drivers' pay and fuel costs all likely to keep spiralling upwards, and as transport legislation becomes increasingly complex, so it could pay your company to take a closer look at Speedlink.

You may do more than trim costs. Spillers firmly believe "turning to rail actually improved customers service."

So now you know what to tell your hound. But if he wags his tail enthusiastically it'll probably be because he's not so interested in where his next meal's coming from. But when.

For more information, write to Mike Jones, Speedlink Marketing Officer, 222 Marylebone Road, London NW1 6JJ. Or telephone 01-262 3232 extension 5633.

**Speedlink**  
A RAILFREIGHT SERVICE  
Put your business back on the rails.



UK NEWS

Chemical industry group breaks up

By Carla Rapoport  
THE Petrochemical Society Working Party, one of the many labour-government-industry committees run under the auspices of the National Economic Development Office (NEDO) has collapsed amid bitter recriminations between industry and trade unionists.  
The row highlights the tension in the heavily depressed petrochemical industry, where more sweeping job cuts and rationalisation are feared for this year.  
The working party had not met for nearly 12 months. It included representatives from all the major UK chemical companies as well as union and government officials.  
In the past, the working party addressed such issues as cheap imports, energy costs, productivity, employee commitments and other troubles facing the sector.  
According to NEDO, Britain's chemical manufacturers would prefer to see petrochemical matters discussed within the main Chemical Economic Development Council, also a tripartite body comprised of senior managers and union officials.  
The unions argue that the Chemical EDC, which meets only four times a year, does not have the capacity or time to deal with many of the pressing issues facing the industry. At a meeting of representatives of the unions last week, the Trades Union Congress (TUC) unanimously recommended that the sector working party, or an equivalent group, be re-established in light of the "current crisis in petrochemicals".  
Trade unionists claim that industry has been dragging its heels on this issue because many of the companies are unclear about their UK strategy.

The unions argue that the Chemical EDC, which meets only four times a year, does not have the capacity or time to deal with many of the pressing issues facing the industry. At a meeting of representatives of the unions last week, the Trades Union Congress (TUC) unanimously recommended that the sector working party, or an equivalent group, be re-established in light of the "current crisis in petrochemicals".  
Trade unionists claim that industry has been dragging its heels on this issue because many of the companies are unclear about their UK strategy.

**BLOCKER EXPLORATION 1981 N.V.**  
The Special General Meeting of shareholders of Blocker Exploration 1981 N.V. originally scheduled for January 25, 1983, is being postponed until a later date. Notice of the rescheduled meeting time will be published shortly.

Thatcher to come under sharper attack on Falklands issue

By Peter Riddell, Political Editor  
MRS MARGARET THATCHER, the Prime Minister, is likely to face strong criticism in the House of Commons this week from opposition leaders about the Government's handling of the Falkland Islands issue before Argentina decided to invade the islands last April.  
Labour and Social Democrat/Liberal leaders are determined to try to counter any feeling that the Prime Minister has been exonerated by the report of the Franks committee, published last Tuesday.  
The committee, which was chaired by Lord Franks and had been appointed by the Government to investigate the handling of the Falklands issue, found that the Government could not be blamed for Argentina's decision to invade.  
Many opposition politicians believe Mrs Thatcher was put under little pressure when making her House of Commons statement on the two-day debate last week. They are keen to mount a sharper attack and are encouraged by the criticism in recent days.  
Mrs Thatcher, who will open and close the debate, is expected to try

to pre-empt her critics by announcing her response to the Franks committee's call for a shake-up of the Joint Intelligence Committee, which co-ordinates intelligence gathering in Whitehall. In particular, there is speculation about the appointment of an independent chairman who would not be a Foreign Office official.  
Labour will press a vote on Wednesday evening. Its attack is likely to focus on weaknesses in the machinery for the assessment of intelligence.  
Most politicians believe that Mrs Thatcher has emerged from the Franks report strengthened and her position will not be shaken by any criticism made during the debate.  
Indeed, a NOP opinion poll published in yesterday's Observer shows that 56 per cent of the electorate think that Mrs Thatcher came out of the Falklands episode with most credit.  
The same poll shows, however, that 71 per cent of the public feel that the Government could have done more to prevent the invasion but misread the warnings.

Managers 'defect to rival union'

By Brian Groom, Labour Staff  
THE LIVELY contest between major unions to recruit management and professional staff in the private sector flared into a row at the week-end, when the Association of Scientific, Technical and Managerial Staffs (ASTMS) announced it had acquired more than 2,000 members from a smaller rival.  
The claimed defections are from the Association of Management and Professional Staffs (AMPS), whose membership is mainly in the chemicals industry. ASTMS says it has won from AMPS a variety of scientists, technicians, professionals and managers in more than fifteen companies, including May & Baker, Laporte, Glaxo, Anchor Chemical, Seacrest, Boots, Ciba-Geigy and Plessey Research.  
Mr Roger Lyons, ASTMS national officer, said AMPS probably had no more than about 3,500 members left, nearly all in Imperial Chemical Industries. Four former members of AMPS governing board were now with ASTMS.  
The claims were described as a "total exaggeration" by Dr Maurice Gillingham, executive secretary of AMPS. They were also attacked as "nothing like what ASTMS have described" by Mr Tom Rice, secretary of the Electrical and Engineering Staff Association (EESA), the staff section of Mr Frank Chapple's Electrical and Plumbing Trades Union (EPTU), which is in merger talks with AMPS.  
Dr Gillingham claimed that AMPS membership was 5,900, although he conceded that the May & Baker section of more than 300 members had since resigned. Some Glaxo and Laporte members had also gone to ASTMS, he said, but not enough to jeopardise AMPS' recognition agreements there.  
Mr Lyons said Dr Gillingham was "out of touch with what had been happening in his organisation." He had seen documentary evidence that Laporte had terminated its national agreement with AMPS.  
Large UK unions have stepped up efforts to recruit managers as their memberships in traditional areas have stagnated or fallen.

Mr Lyons said Dr Gillingham was "out of touch with what had been happening in his organisation." He had seen documentary evidence that Laporte had terminated its national agreement with AMPS.  
Large UK unions have stepped up efforts to recruit managers as their memberships in traditional areas have stagnated or fallen.

CEGB's evidence likely to continue without debate  
Objectors bide their time

FINANCIAL TIMES REPORTER  
SIR FRANK LAYFIELD, inspector for the inquiry into plans for building a U.S. style pressurised water reactor (PWR) at a nuclear power station on the east coast of Britain, directed that the Central Electricity Generating Board's witnesses should read their proofs of evidence "to give objectors a further opportunity to appreciate the contents."  
The opportunity is being passed up, however, by all but a handful of the 4,000 registered objectors. The next six weeks are likely to see the CEGB finish its evidence without major debate on the issues surrounding the application to build the PWR.  
The main objectors to the application, the Town and Country Planning Association (TCPA), the Council for the Protection of Rural England and the Friends of the Earth have made only brief appearances at the inquiry.  
Copies of the proofs and daily transcripts are available free on demand and only questions clearly relevant to the issues are allowed at this stage. Most objectors have evidently decided not to spend the first two months of the inquiry listening to the "readings".  
Groups of demonstrators make brief appearances in the hall, and occasionally a class of college or

school pupils sits alongside a handful of interested observers, witnesses or officials of the CEGB. The inquiry has not yet caught the imagination of the public.  
The small attendance has surprised and disappointed some senior CEGB officials, who were expecting a turnout of the size attracted to the pre-inquiry meetings last year. But much of the evidence is technical, jargonised and clearly unintelligible to most people.  
The fact that CEGB evidence is to be "taken as read" brought a claim of inequality last week from the TCPA. Sir Frank will reply to this claim.  
Attempts were made this week by the Suffolk Preservation Society to persuade the inspector to order the release of confidential CEGB documents. These are reports to and minutes of full board meetings leading up to the choice of Sizewell as the site for Britain's first PWR.  
The CEGB is opposing the release of these documents, saying evidence will be given on the coldest of the site. But Sir Frank has asked for a list of questions which the Society believes the documents would answer.  
Much of the past week has been taken up with a dismissal of re-

able energy sources as feasible alternatives to nuclear power and with economics. The CEGB explained the methods it uses to predict energy demand and why it believes Sizewell B is needed.  
Mr Frank Jenkin, development strategy engineer for the CEGB admitted that predictions for 1973-1982 were about 28 per cent too high. But the CEGB still believes that demand will rise and is hoping for an early and to the present recession to strengthen its hand on purely capacity grounds.  
Meanwhile, more trustees have been appointed to the Sizewell B appeal fund launched eight days ago with a target of £500,000. They are Professor Sir Hans Kornberg, former chairman of the Royal Commission on environmental pollution, Professor David Henderson of the University College, London, and Suffolk landowner, the Earl of Cranbrook. It is expected that a leading nuclear physicist will become a trustee in the next few days.  
The fund has been welcomed by the nuclear industry because if the opposition groups do get adequate funds it is felt there will be more pressure on them to accept the result of the inquiry if it goes against them.

Liberals to appoint full-time fundraiser

THE BUDGET for the Liberal Party's central organisation is to be doubled to just over £400,000 for 1983 after a successful appeal to some wealthy individual supporters.  
The resources will be mainly devoted to promotion and publicity. A new director of communications and a full-time professional fundraiser are to be appointed.  
The budget is small compared to those of the two major political parties and is separate from the money needed to fight a general election.  
**Lower Irish fares**  
WEEKEND air fares between the UK and the Irish Republic will be cut by up to one third from February 5 to March 13 by British Airways and Aer Lingus. London to Dublin return will cost £55, instead of the present cheapest fare of £81.

**Furnace restarts**  
The British Steel Corporation is restarting a small blast furnace at Cleveland which produces foundry pig iron and ferro-manganese.  
The furnace was shut down last September so that excess stocks could be reduced. The 230 employees have been on short-time working and will return to full time this week.

**Record failures**  
A RECORD number of UK companies went into liquidation in 1982, according to provisional figures from the Department of Trade.  
A total of 12,638 companies failed, an increase of 40 per cent over 1981 and more than in any other year covered by the department's records.

**Britoil discovery**  
BRITOL has identified an oil prospect in Scotland's Moray Firth, about 20 miles south of Wick. The well, drilled on block 12/21, did not confirm commercial quantities of oil but it is thought that Britoil will drill a further well to evaluate prospects.

Birmingham plans cut in vacant factory taxes

BY ANDREW TAYLOR  
BIRMINGHAM city council is planning to exempt industrialists from paying rates (local property taxes) on redundant factories and warehouses for at least two years after they become vacant.  
The council is shortly expected to vote in favour of the recommendation proposed by the local authority's management and finance committee. The scheme is expected to come into force from April 1 and will cost the council £750,000 a year.  
Previously companies have been charged half rates on industrial premises from three months after they become vacant.  
As a result, some of the region's hard-pressed industrialists have taken drastic measures to reduce their rate burden. A recent report

Hoverspeed to consider deal

BY ANDREW FISHER, SHIPPING CORRESPONDENT  
HOVERSPEED will decide in the next weeks whether to accept a 10 per cent shareholding from France in return for a large new hovercraft from SNCF, the French railway system.  
The newly-merged hovercraft company, owned by British Rail and Sweden's Broström shipping group, had a rough time when it breezed into the cross-Channel market just over a year ago. Its losses, however, resulted from the antiquated reservations system it inherited rather than from a lack of new business.  
Hovercraft aims this year to at least break even and hopefully move into the black. It also hopes to attract new private capital and develop into other leisure areas. But Hoverspeed will first have to develop a healthy profit record.  
Attracting more business from

continental travellers is also high on its list of priorities; most traffic is out of the UK. Hoverspeed has over a fifth of the cross-Channel market, but sees most future growth coming from northern Europe into Britain.  
Mr John Cumberland, Hoverspeed's managing director, knew that running the new company would have its problems. But he said he wasn't expecting to have to put right all sorts of reservations. It has taken Hoverspeed about a year to overhaul the system, whose inadequacies cost the company some £3m-£4m last year. New people have been employed and new equipment installed.  
Opponents of hovercraft, have charged that they are too expensive to operate.  
Certainly, the companies which were merged into Hoverspeed after

the go-ahead from the Monopolies and Mergers Commission found the going hard. Seaspeed, the BR company, made consistent losses and Hoverspeed, the Swedish-owned operator, slipped into the red in 1980.  
Mr Cumberland thinks past management put too much emphasis on technology and not enough on the business side. Also, they ran too many flights, which meant losses were too widely spread to be profitable.  
"Our strategy is to have a smaller fleet of larger craft rather than a larger fleet of small ones," he explains. "It's pure economics. We need fewer flights with more people per flight."  
The impending decision over the possible French stake will be based on this strategy. The French hovercraft, worth about £25m-£30m, is big, modern and streamlined.

CONTRACTS AND TENDERS

**INTERNATIONAL CALL FOR BIDS**  
**ONATRA 1399 F2-29**  
THE DEPARTMENT OF TRANSPORT AND COMMUNICATIONS of the Republic of Zaire, represented by the National Office of Aeronautics, is calling for international bids, under a project financed by the World Bank/IDA, Washington, the African Development Bank (ADB), ABIDJAN, and the Central Bank of Congo (CBB), KINSHASA, for the supply of the following equipment:  
Lot No. 1 Four 2.5-ton front-end loaders (to be procured in France)  
Lot No. 2 Three tyre-mounted machines for log handling  
Lot No. 3 Three fire engines  
Lot No. 4 A container gantry crane (45 tons under hook, 35 tons under spreader) on rails and a crane on rails (35 tons under hook) (to be procured in France)  
Lot No. 5 Five fire tractors (to be procured in France)  
Lot No. 6 Eight road trailers for 30-ton containers and two road trailers for 40-ton containers (to be procured in France)  
Participation is open to all technically qualified firms from member countries of the World Bank, from Switzerland or Taiwan, except for the lots indicated for procurement in France, for which only bids from French firms will be acceptable. Interested firms may obtain one or several sets of documents concerning the lot(s) of their choice, by return:  
either to: Bureau Central d'Etudes Four Les Equipements d'Outre-Mer (BCEOM), 25 Route des Thermes, 75014 Paris Cedex 12, France against a transfer in the amount of

**LATCHMERE LEISURE CENTRE**  
Wandsworth Borough Council is inviting tenders for the construction of this facility which is currently under construction and is scheduled for completion in April 1983. The Centre consists of a free-form leisure pool complex with wave machine and dry and wet areas, a teaching pool, an area allocated for a cafe/restaurant overlooking the pool, and associated plant, including changing and parking areas. In addition, plans are approved for an eight storey 32 x 28 metre Sports Hall, a multi-purpose hall, and an area for bar and clubroom facilities which will commence in August this year.  
Any firm which has experience in the management of recreation facilities and wishes to be considered for inclusion on the Council's list of approved tenders for this work is asked to make an application by Tuesday 22nd March 1983, giving details of the following:  
a) Length and details of relevant experience together with two independent references.  
b) Names and addresses of referees from whom financial references can be obtained.  
Applications should be sent to L. T. Garrett, Director of Recreation, Wandsworth Borough Council, Wandsworth Town Hall, London SW18 2PU, telephone 01-874 8604, ext. 300 from whom plans and further details are available.

**BOND DRAWINGS**  
REDEMPTION  
13th February, 1983  
SLOUGH ESTATES LUXEMBOURG S.A.  
U.S.\$12,000,000 8 1/2 PER CENT 15 YEAR GUARANTEED LOAN 15/2/84  
DRAWING OF BONDS  
NOTICE IS HEREBY GIVEN that a drawing of bonds of the above loan took place on 13th January, 1983, in accordance with the terms of the loan agreement. The names of the bondholders who are entitled to participate in the drawing are as follows:  
The following are the numbers of the bonds drawn:  
102 104 118 132 168 202 232 262 292  
322 352 382 412 442 472 502 532 562 592 622 652 682 712 742 772 802 832 862 892 922 952 982 1012 1042 1072 1102 1132 1162 1192 1222 1252 1282 1312 1342 1372 1402 1432 1462 1492 1522 1552 1582 1612 1642 1672 1702 1732 1762 1792 1822 1852 1882 1912 1942 1972 2002 2032 2062 2092 2122 2152 2182 2212 2242 2272 2302 2332 2362 2392 2422 2452 2482 2512 2542 2572 2602 2632 2662 2692 2722 2752 2782 2812 2842 2872 2902 2932 2962 2992 3022 3052 3082 3112 3142 3172 3202 3232 3262 3292 3322 3352 3382 3412 3442 3472 3502 3532 3562 3592 3622 3652 3682 3712 3742 3772 3802 3832 3862 3892 3922 3952 3982 4012 4042 4072 4102 4132 4162 4192 4222 4252 4282 4312 4342 4372 4402 4432 4462 4492 4522 4552 4582 4612 4642 4672 4702 4732 4762 4792 4822 4852 4882 4912 4942 4972 5002 5032 5062 5092 5122 5152 5182 5212 5242 5272 5302 5332 5362 5392 5422 5452 5482 5512 5542 5572 5602 5632 5662 5692 5722 5752 5782 5812 5842 5872 5902 5932 5962 5992 6022 6052 6082 6112 6142 6172 6202 6232 6262 6292 6322 6352 6382 6412 6442 6472 6502 6532 6562 6592 6622 6652 6682 6712 6742 6772 6802 6832 6862 6892 6922 6952 6982 7012 7042 7072 7102 7132 7162 7192 7222 7252 7282 7312 7342 7372 7402 7432 7462 7492 7522 7552 7582 7612 7642 7672 7702 7732 7762 7792 7822 7852 7882 7912 7942 7972 8002 8032 8062 8092 8122 8152 8182 8212 8242 8272 8302 8332 8362 8392 8422 8452 8482 8512 8542 8572 8602 8632 8662 8692 8722 8752 8782 8812 8842 8872 8902 8932 8962 8992 9022 9052 9082 9112 9142 9172 9202 9232 9262 9292 9322 9352 9382 9412 9442 9472 9502 9532 9562 9592 9622 9652 9682 9712 9742 9772 9802 9832 9862 9892 9922 9952 9982 10012 10042 10072 10102 10132 10162 10192 10222 10252 10282 10312 10342 10372 10402 10432 10462 10492 10522 10552 10582 10612 10642 10672 10702 10732 10762 10792 10822 10852 10882 10912 10942 10972 11002 11032 11062 11092 11122 11152 11182 11212 11242 11272 11302 11332 11362 11392 11422 11452 11482 11512 11542 11572 11602 11632 11662 11692 11722 11752 11782 11812 11842 11872 11902 11932 11962 11992 12022 12052 12082 12112 12142 12172 12202 12232 12262 12292 12322 12352 12382 12412 12442 12472 12502 12532 12562 12592 12622 12652 12682 12712 12742 12772 12802 12832 12862 12892 12922 12952 12982 13012 13042 13072 13102 13132 13162 13192 13222 13252 13282 13312 13342 13372 13402 13432 13462 13492 13522 13552 13582 13612 13642 13672 13702 13732 13762 13792 13822 13852 13882 13912 13942 13972 14002 14032 14062 14092 14122 14152 14182 14212 14242 14272 14302 14332 14362 14392 14422 14452 14482 14512 14542 14572 14602 14632 14662 14692 14722 14752 14782 14812 14842 14872 14902 14932 14962 14992 15022 15052 15082 15112 15142 15172 15202 15232 15262 15292 15322 15352 15382 15412 15442 15472 15502 15532 15562 15592 15622 15652 15682 15712 15742 15772 15802 15832 15862 15892 15922 15952 15982 16012 16042 16072 16102 16132 16162 16192 16222 16252 16282 16312 16342 16372 16402 16432 16462 16492 16522 16552 16582 16612 16642 16672 16702 16732 16762 16792 16822 16852 16882 16912 16942 16972 17002 17032 17062 17092 17122 17152 17182 17212 17242 17272 17302 17332 17362 17392 17422 17452 17482 17512 17542 17572 17602 17632 17662 17692 17722 17752 17782 17812 17842 17872 17902 17932 17962 17992 18022 18052 18082 18112 18142 18172 18202 18232 18262 18292 18322 18352 18382 18412 18442 18472 18502 18532 18562 18592 18622 18652 18682 18712 18742 18772 18802 18832 18862 18892 18922 18952 18982 19012 19042 19072 19102 19132 19162 19192 19222 19252 19282 19312 19342 19372 19402 19432 19462 19492 19522 19552 19582 19612 19642 19672 19702 19732 19762 19792 19822 19852 19882 19912 19942 19972 20002 20032 20062 20092 20122 20152 20182 20212 20242 20272 20302 20332 20362 20392 20422 20452 20482 20512 20542 20572 20602 20632 20662 20692 20722 20752 20782 20812 20842 20872 20902 20932 20962 20992 21022 21052 21082 21112 21142 21172 21202 21232 21262 21292 21322 21352 21382 21412 21442 21472 21502 21532 21562 21592 21622 21652 21682 21712 21742 21772 21802 21832 21862 21892 21922 21952 21982 22012 22042 22072 22102 22132 22162 22192 22222 22252 22282 22312 22342 22372 22402 22432 22462 22492 22522 22552 22582 22612 22642 22672 22702 22732 22762 22792 22822 22852 22882 22912 22942 22972 23002 23032 23062 23092 23122 23152 23182 23212 23242 23272 23302 23332 23362 23392 23422 23452 23482 23512 23542 23572 23602 23632 23662 23692 23722 23752 23782 23812 23842 23872 23902 23932 23962 23992 24022 24052 24082 24112 24142 24172 24202 24232 24262 24292 24322 24352 24382 24412 24442 24472 24502 24532 24562 24592 24622 24652 24682 24712 24742 24772 24802 24832 24862 24892 24922 24952 24982 25012 25042 25072 25102 25132 25162 25192 25222 25252 25282 25312 25342 25372 25402 25432 25462 25492 25522 25552 25582 25612 25642 25672 25702 25732 25762 25792 25822 25852 25882 25912 25942 25972 26002 26032 26062 26092 26122 26152 26182 26212 26242 26272 26302 26332 26362 26392 26422 26452 26482 26512 26542 26572 26602 26632 26662 26692 26722 26752 26782 26812 26842 26872 26902 26932 26962 26992 27022 27052 27082 27112 27142 27172 27202 27232 27262 27292 27322 27352 27382 27412 27442 27472 27502 27532 27562 27592 27622 27652 27682 27712 27742 27772 27802 27832 27862 27892 27922 27952 27982 28012 28042 28072 28102 28132 28162 28192 28222 28252 28282 28312 28342 28372 28402 28432 28462 28492 28522 28552 28582 28612 28642 28672 28702 28732 28762 28792 28822 28852 28882 28912 28942 28972 29002 29032 29062 29092 29122 29152 29182 29212 29242 29272 29302 29332 29362 29392 29422 29452 29482 29512 29542 29572 29602 29632 29662 29692 29722 29752 29782 29812 29842 29872 29902 29932 29962 29992 30022 30052 30082 30112 30142 30172 30202 30232 30262 30292 30322 30352 30382 30412 30442 30472 30502 30532 30562 30592 30622 30652 30682 30712 30742 30772 30802 30832 30862 30892 30922 30952 30982 31012 31042 31072 31102 31132 31162 31192 31222 31252 31282 31312 31342 31372 31402 31432 31462 31492 31522 31552 31582 31612 31642 31672 31702 31732 31762 31792 31822 31852 31882 31912 31942 31972 32002 32032 32062 32092 32122 32152 32182 32212 32242 32272 32302 32332 32362 32392 32422 32452 32482 32512 32542 32572 32602 32632 32662 32692 32722 32752 32782 32812 32842 32872 32902 32932 32962 32992 33022 33052 33082 33112 33142 33172 33202 33232 33262 33292 33322 33352 33382 33412 33442 33472 33502 33532 33562 33592 33622 33652 33682 33712 33742 33772 33802 33832 33862 33892 33922 33952 33982 34012 34042 34072 34102 34132 34162 34192 34222 34252 34282 34312 34342 34372 34402 34432 34462 34492 34522 34552 34582 34612 34642 34672 34702 34732 34762 34792 34822 34852 34882 34912 34942 34972 35002 35032 35062 35092 35122 35152 35182 35212 35242 35272 35302 35332 35362 35392 35422 35452 35482 35512 35542 35572 35602 35632 35662 35692 35722 35752 35782 35812 35842 35872 35902 35932 35962 35992 36022 36052 36082 36112 36142 36172 36202 36232 36262 36292 36322 36352 36382 36412 36442 36472 36502 36532 36562 36592 36622 36652 36682 36712 36742 36772 36802 36832 36862 36892 36922 36952 36982 37012 37042 37072 37102 37132 37162 37192 37222 37252 37282 37312 37342 37372 37402 37432 37462 37492 37522 37552 37582 37612 37642 37672 37702 37732 37762 37792 37822 37852 37882 37912 37942 37972 38002 38032 38062 38092 38122 38152 38182 38212 38242 38272 38302 38332



## BUILDING AND CIVIL ENGINEERING

## Stan Clarke comes to town

IF STAN CLARKE has his way, the City of London is going to hear a lot more about him and his business during 1983.

Clarke has spent 30 years quietly but steadily expanding the private housebuilding, construction and property development group which bears his name and which, this year, will record a turnover of £50m.

Having started as a plumber with £100 in his pocket, he feels justifiably pleased with the way things have turned out, but he makes it clear that, at 50 years old, he has not done yet.

The majority shareholder and chairman of the Clarke Group, which operates from an impressive Georgian mansion at Barton-under-Needwood in Staffordshire, Clarke expects future success to outshine past achievements.

While many men of his age and with his financial resources might be content to sit back and sell out, he has no such intention. Neither does his wish to become better known in the City merely constitute the courtesy which precedes a public quotation.

"The City represents not only the prime source of corporate finance but a clearing house for contacts and information which can all prove instrumental in developing the business. The prospect of going public has not been ruled out, but I think it more likely that our immediate aspirations would lie in acquiring other, possibly publicly-quoted, companies."

The group, accordingly, seems set to adopt a higher-profile approach than has been the case in the past and is anxious to let more people know what it is up to.

Housebuilding is high on the list. It accounts for about half group turnover and the number



of homes built during 1983 is expected to reach around 730 against 497 in 1982.

According to a league table produced by Laing and Croukshank, Clarke is now the fifth largest privately-owned house-builder in the country and lies around 24th place in the overall league table of house developers. If this year's projections are met, the group

will join the top twenty housebuilders.

Last week, the group announced its largest single investment in the south of England, a £10m scheme to develop over 200 homes at Lindfield, close to Haywards Heath in Sussex.

The newly-purchased 27-acre site represents the latest property in an acquisition

programme which last year gathered in over 60 acres of development land in the south, a region where the group has more than 20 residential schemes under way.

Houses at Lindfield will cost up to £85,000, though the group builds homes costing from around £15,000 and has concentrated on the first-time buyers market. It has pursued an active development programme in partnership with local authorities, the latest of which has just been agreed with Fareham borough council in Hampshire.

Clarke's commercial property activities are carried out under the Clarke St Modwen banner, which last year notched up 5m sq ft of developed and let property since its formation. The subsidiary adheres to a strict policy of pre-let, funded approach adopted following the less-than-spectacular success of three, small-unit speculative projects.

Some of its recent schemes include a 24,000 sq ft office building in Winchester, an industrial complex at Exeter and a 350,000 sq ft industrial estate at Plymouth. The company is now building up its business in the East Midlands.

The group also has a general construction company, operating in the UK from Lichfield, Exeter and Winchester, and offering a range of turnkey, design and build and fixed fee packages.

With the recent acquisition of W. J. Wynn, the Lewisham-based construction company, which has several London refurbishment projects on its books, Stan Clarke is not only courting the City, he is also helping to rebuild it.

MICHAEL CASSELL

Release greenbelt land  
builders ask Minister

THE GOVERNMENT has been asked by housebuilders to relax its restrictive policy on building in greenbelt areas so that new housing development can take place.

Mr Peter Woodrow, newly-elected president of the Housebuilders Federation, has submitted a request for greater flexibility in greenbelt policies to Mr Tom King, the new Environment Secretary.

The Federation is preparing a detailed study of 60 potential development sites in greenbelt areas in outer London boroughs. A full report is expected to be made to the Environment Secretary within the next four weeks.

Mr Woodrow said that initial analysis of the study's findings shows that "there appears to be a certain amount of land which serves no open space or greenbelt function at all. It would protect the integrity of the real greenbelt policy and

reduce pressure on better land if some of these sites were released for development," he added.

The Federation denied, however, that it was seeking a mandate to allow housebuilders to develop wherever they saw fit in greenbelt locations. "The last thing we as builders want to see is every bit of green built upon—regardless of whether it is designated greenbelt or whatever," said Mr Woodrow.

"But some of the land that has a greenbelt notation is just overgrown; there are partly demolished buildings on it; it is probably infested with rats, and it must create all sorts of problems and nuisance. We are looking at land that really serves no open space purpose and really is not greenbelt."

Mr Woodrow said that some of these sites could be developed without necessarily prejudicing greenbelt policy as a whole. He intended to visit individual

sites chosen by the Federation as suitable for development before making any final recommendation to the Secretary of State.

He stressed that the Federation would continue to press for more land generally to be released for housebuilding. "When land supply is curtailed, often by the process of public participation, prices rise and access to new homes is reduced," said Mr Woodrow.

The Federation's new president claimed that land prices in parts of the country had doubled in the past 18 months: "mostly in the south in high demand areas below a line drawn between the Wash and Bristol." This increase had been largely carried by builders who had been unable to put up house prices to rise by between 5 and 10 per cent this year.

ANDREW TAYLOR

## Industry wants £500m tax help

THE CHANCELLOR has been asked by construction industry employers to include in the budget a series of taxation measures to aid the depressed building and civil engineering sectors.

The new measures would cost the Exchequer "no more than £500m a year," say the employers' organisations.

The budget memorandum has been prepared by the joint taxation committee representing the National Federation of Building Trade Employers, Federation of Civil Engineering Contractors, Committee of Associations of Specialist En-

gineering Contractors and the Export Group for the Construction Industries.

The employers claim that a £500m stimulus to the construction industry could be accommodated "within a budget judgment that could envisage room for between £2bn and £3bn of fiscal adjustments."

The memorandum specifically calls for an increase in industrial buildings allowances from 75 per cent to closer to 100 per cent; a new 100 per cent capital allowance to encourage the refurbishment or conversion of redundant industrial and commercial buildings to other uses;

an increase from £25,000 to £35,000 in the mortgage tax relief threshold and an increase in stamp duty thresholds. The industry also appeals to the Chancellor to remove VAT from building repairs and maintenance.

The joint taxation committee says: "These are modest measures to encourage domestic output and investment compared with the much higher costs of across-the-board personal tax reductions for which the domestic output—as opposed to the import benefits—are highly dubious."

A. T.

## £115m Nigerian water works for Costain

FINANCING OF water works in Nigeria worth around £115m has now been completed.

Grenfell has arranged Export Credit loans, supported by the ECED, for £75m and a Euro-dollar loan for £40m. Work will start soon.

Placed by the Water Corp. of Oyo State, the contracts, which will be undertaken by Costain (West Africa) and Costain International, are among the largest of their type in West Africa and

comprise construction of a dam, water treatment works, pumping station, 59 reservoirs and 850 km of pipeline. They will cover 2,800 sq km as part of the water supply expansion scheme for Oshogbo—Ede, Ife—Gbonagan and Erin-Ilorin.

Costain (West Africa) will handle the Naira 41m (£37.4m) on-shore works and Costain International the \$77m off-shore supply contract. The contracts

will take 42 months to complete. Six large towns, many small towns and countless villages are spread within the area where Costain will work.

To be built on the Erin-Ilorin River, the dam will create an impounding reservoir of about 94m cu metres of water. A water treatment works at Ede will handle 160,000 cu metres of water per day and the installation of a pumping station at Ede

will use up to 11 pumps to distribute the treated water, assisted by a further eight pumps in five remote booster pumping stations. The 59 reservoirs will have capacities ranging from 75 to 25,000 cu metres.

The supply of water treatment plant which forms part of the contracts is by Patterson Candy International and the pumps will be provided by Joe Hansen & Soehne.

## More orders for Finnish contractors

OVERSEAS EARNINGS and order books for Finnish contractors showed big increases during 1982—largely due to the country's special relationship with the Soviet Union.

Foreign invoicing by Finnish construction firms in 1982 was 20 per cent up on earnings in 1981 at US\$930m, (£532m). This follows a 23 per cent increase to US\$700m (£439m) in 1981 from US\$575m (£358m)

in 1980. But 39 per cent of Finland's contracting exports last year went to the Soviet Union, mainly on large industrial projects. The other major market was the Middle East with 37 per cent, and Africa with 21 per cent.

At the end of 1982 Finnish contractors jointly had 66 major projects under construction abroad with a total value

of US\$2,200m (£1410m). Of these, 17 had a total value of US\$1,200m (£769m) and were in the USSR. A further 23 had a total value of US\$550m (£353m) and were in the Middle East. Twenty projects in Africa were worth an additional US\$400m (£256m) while six projects worth US\$50m (£32m) were underway in other countries.

TOM SEALY

Tenth anniversary  
of U-BIX worldwide—  
copying excellence  
that's hard  
to duplicate.

*A decade of U-BIX plain  
paper copiers, backed by a  
century of Konishiroku photo-  
graphic and film experience.*

Back in 1873 a Tokyo pharmacist laid the foundations for the Konishiroku photographic company which has maintained its future-oriented research and development reputation down to the present day.

Way ahead of the others, the company realized that the plain paper copier would become an indispensable

element in office equipment and an important component in the office automation systems of the future. Building on a hundred years of experience in trading, and subsequently manufacturing cameras and film material, it designed and constructed the first all-Japanese plain paper copier.

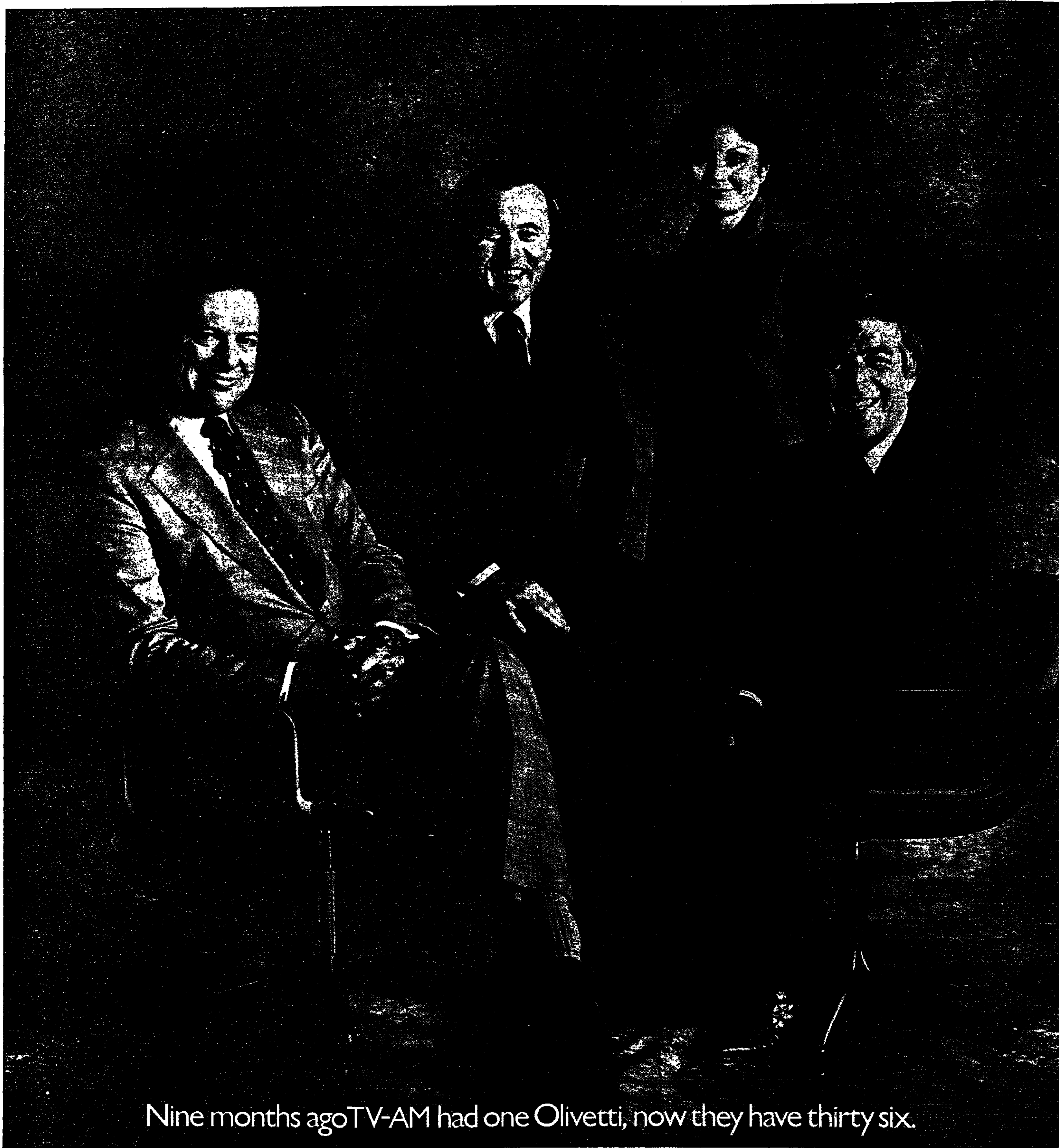
U-BIX, a copier capable of high quality reproduction. Ubi is the Japanese word for elegant, an appropriate word to describe the U-BIX range of copiers, which were subsequently designed. The U-BIX reputation for high quality copies and reliable performance has won praise for the machines throughout the world. "Excellent" is the adjective most frequently used by satisfied customers in over 80 countries to describe our copiers.

On this tenth anniversary of U-BIX worldwide sales, we thank our clients for their confidence, and assure them that we shall continue to attend to their needs in the coming decade.

**U-BIX**  
THE RELIABLE COPIERS.

KONISHIROKU PHOTO IND. CO., LTD.: Shinjuku Nomura Building, No. 26-2, Nishishinjuku 1-chome, Shinjuku-ku, Tokyo 160, Japan  
U-BIX INTERNATIONAL G.m.b.H.: Hamburger Strasse 11, 2000 Hamburg 76, West Germany. Tel: 040/229 34-1, Telex: 02 15 340  
U-BIX (UK) LIMITED: 6, Miles Gray Road, Basildon, Essex, SS14 3BR, United Kingdom. Tel: 02688 23 11/21, Telex: 955270  
U-BIX FRANCE S.A.: 15, Rue des Sorins, 92000 Nanterre, France. Tel: 776 44 22, Telex: 613602 UBX-PAR

# The latest news on Olivetti typewriters and word processors.



Nine months ago TV-AM had one Olivetti, now they have thirty six.



When their new studios were little more than a building site, among the thousands of decisions TV-AM had to make was a seemingly insignificant one:

What typewriter should they buy? (And note the singular.) In true democratic fashion they asked their secretaries to choose. The girls tried six different machines and plumped for our 121. To quote them:

"It's the nicest to use, the most stylish and by far the quietest" (The latter point being fairly important at 5 am when any noise is bad noise.)

It was a happy decision in a way they didn't realise at the time. You can upgrade our 121 typewriters into word processors which, in fact, they are now doing.

As this is a very painless way to get into word processing, you might like to hear more about it.

**Building bricks.**

The beauty of the idea is that when you grow out of a machine you don't junk it, you extend it.

Rather like a house when the family grows.

You can start with one of our electronic typewriters as TV-AM did and simply build on.

Bigger memories. More extensive programmes. Visual displays (those things like portable TVs).

Your secretary won't be thrown by the change because the basic machine won't have changed. Only its capabilities.

**Your first decision.**

The first question you might have to answer is which of our electronic typewriters is the best for you now.

You can't go far wrong.

They differ largely in the amount they can remember.

And they all share the features that have made them Europe's best selling machines.

They're much quieter than the old electric machines, for example, and have far less to go wrong. Whereas the golf balls have some 2,500 moving parts, our electronic typewriters have just 100.

We replaced the old levers, swivel joints and springs with sensors and microchips. Instead of handfuls of clattery keys we use a daisy wheel with letters on little stalks.

As for their memories, our basic machine, the 121, can store one line of type and print it for you on demand.

While our 221 can recite two lines and show them on a small visual display before you type them.

(So if they're not the pure gems you envisaged you can cut and polish them first.)

**When is a typewriter not a typewriter?**

Our next two machines beg the question of when does a typewriter become a word processor?

You'd be hard pressed to distinguish between our new 225 and our other typewriters from the outside.

But inside you'll see modules about the size of a tape cassette.

They let you add more and more memory. Four pages worth at a time.

Until you have a machine that stores 32 pages.

You can scroll them, search through them, revise and delete them and order all the pages of a document to number themselves automatically.

And very soon you'll be able to upgrade this machine to one of our largest word processors, just as you can the other two typewriters.

**The floppy disk that holds as much as a filing cabinet.**

Next comes the first big step: to a machine with a memory store outside.

Our 351 holds information on floppy disks, each of which can store 32 pages (you can, of course, have as many disks as you need).

More than enough to cope with all those boring, repetitive jobs; the documents, circulars, standard letters.

It's so easy to do what is known as 'cut and paste' in the trade.

You can take out words or paragraphs or even chapters, insert new ones, and the machine will re-space and re-number them.

You can order it to print hundreds of the same letter, altering names and addresses on each one.

Imagine the life of a solicitor, a doctor, a scriptwriter, a charity appeal, a mail order business, a political party. For such people life without a word

processor such as the 351 will soon be as unthinkable as life without cars and fridges and washing machines for everyone else.

**The machine you'll end up with.**

This is the word processor you see in the photograph by the coupon. Our ETS 1010.

It's the one our other machines become when they grow up.

When TV-AM have a moment to breathe we'll be teaching them how to use it for their scripts, press releases, replies to viewers' letters and their mail outs.

Even with all their new technology we think they'll be impressed with the 1010's.

It'll let them split the visual display screen horizontally or vertically (a technique called 'windowing').

So that one typist could, for example, be working on one of Peter Jay's speeches, split the screen, show a Michael Parkinson interview, change either or both, and print them, one after the other.

The same piece of software will allow them to 'fold' wide documents to compare, say, distant columns of figures next to one another.

It will also do five function maths and number paragraphs six different ways.

And gloriously for any harrassed new programme, it'll let them correct mistakes the moment they realise they've boobed.

Let's hope the critics will be as understanding.

**The Giant.**

Modern science won't let us rest here, however. We now have a veritable giant of a word processor, the 1020.

For the initiated, it's an 'always up, fully redundant centralised filing system.'

For the rest of us, it's a chest about the size of a home freezer that stores up to 120,000 pages of information.

It does so on two rigid discs simultaneously so that if one ever breaks down the other carries on regardless.

Fourteen 1010 word processors can work with it at the same time.

Who could possibly feed such a giant?

Insurance companies, banks, publishers; anyone with floors full of filing cabinets bulging with paper.

**The cost of processing words.**

We work on the principle that having a bigger word processor than you need is as indulgent as renting bigger offices than you can fill.

The concept of starting small and building up seems more intelligent, particularly when you compare the costs.

You can lease our 121 typewriter for as little as £5 a week.

The 221 and 225 for £7.50 and £16.25 a week respectively.

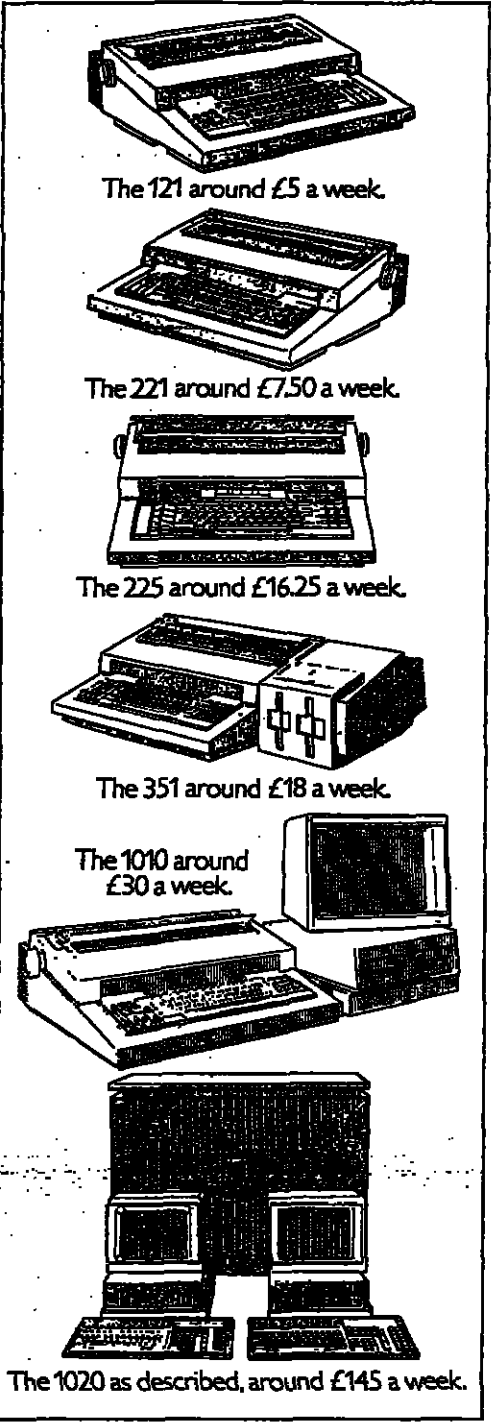
While our new dual function 351 will set you back around £18 a week.

The ETS 1010 under £30 a week.

Whereas the massive 1020 with, say, a 15,000 page memory, four work stations and a daisy wheel printer works out around £145 a week over a five year period.

We have brochures that give the complete specification of each machine.

If you'll post us the coupon we'll send them to you immediately.



The 121 around £5 a week.

The 221 around £7.50 a week.

The 225 around £16.25 a week.

The 351 around £18 a week.

The 1010 around £30 a week.

The 1020 as described, around £145 a week.



Please send me details of the:

ET121 ☐ ET221 ☐ ET225 ☐ ET351 ☐ ETS1010 ☐ ETS1020 ☐

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_ Address \_\_\_\_\_

Tel: \_\_\_\_\_ FTIAM/JL

Send to Valerie Belfer, British Olivetti Limited,  
86-88 Upper Richmond Road, Putney, London SW15 2UR.  
Telephone: 01-785 6666.

**olivetti**

## TECHNOLOGY

SECOND SOVIET SATELLITE SET FOR UNSCHEDULED RE-ENTRY

## Search for nuclear safety in space

BY DAVID FISHLOCK, SCIENCE EDITOR

THE unscheduled re-entry of a Soviet nuclear-powered reactor into the earth's atmosphere coincides with a reawakening of U.S. interest in nuclear power for space systems. Last month bids were invited from U.S. contractors for a new 100 kW space reactor.

The incentive is a need for power in space that outstrips the capacity of solar systems. The obvious drawback is public reaction to the threat of radioactive fallout from space.

For two decades proponents of photovoltaic solar power systems have looked to space technology for the impetus needed to force up conversion efficiencies and drive down capital costs. But space power demands are outpacing solar cell progress, particularly for military requirements.

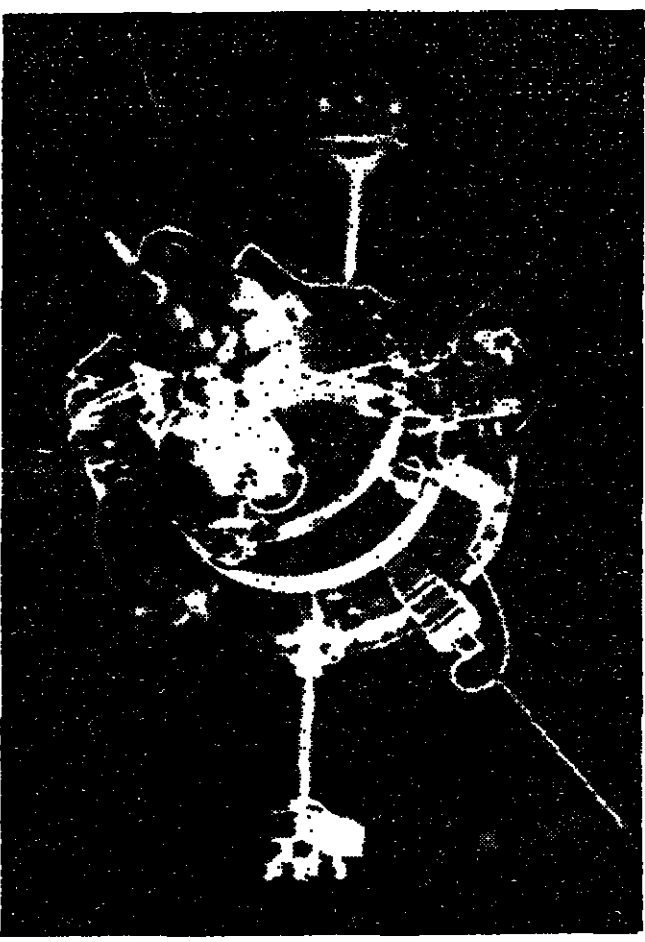
The Soviets have recognised this in their use of a compact nuclear reactor to provide power for radars, etc., for their Cosmos spy satellite series. They launched four such reactors last year.

Compact reactors for space, no bigger than a Mini but generating enough power to supply a small town, were the subject of a symposium in Washington D.C. late last year. The meeting was convened by the U.S. National Academy of Sciences but the prime movers were the U.S. defence research agencies and the National Aeronautics and Space Administration. Nearly half of the papers were classified.

"It now looks a little more serious for the first time in 10 years," says Dr Howard Arnold, general manager of Westinghouse Electric's advanced reactors division near Pittsburgh. Why the U.S. military wants a nuclear powerpack is still highly classified, he says. But the possibilities include beam weapons, communications, and laser or radar surveillance from space, and also scientific missions into deep space.

Dr Arnold headed the nuclear side of the Nerva (nuclear engine for rocket vehicle application) project, climax of a joint Nasa-AEC (Atomic Energy Commission) programme called Rover. The aim was a gas-cooled reactor which would serve as superheater for a hydrogen-propelled rocket. Nerva, a 5,000 MW reactor, was scrapped in 1973. It had cost \$1.4bn.

But as prime contractor on the nuclear side, Westinghouse retained its interest in the



Cosmos 954, the Soviet nuclear-powered satellite radioactive remnants of which fell on Canada. The Canadians sent Moscow a bill for about \$6m—about half the amount was paid.

Jackass Flats site in Nevada where Nerva was assembled. In fact, the reactor was dismantled only three years ago. The facilities include a giant "hot cell" for engine maintenance and disassembly, big enough to accommodate an entire railway truck. Altogether, Dr Arnold's team built and tested about 15 space reactors fuelled with highly enriched uranium—the fuel used in Cosmos 1402 and the earlier Russian satellite which came down in Canada in 1978.

The experience and facilities give Westinghouse a head start in any new U.S. programme, Dr Arnold believes. The company never abandoned space reactors completely but always maintained a small team and what he

calls "an active marketing effort."

According to Science, one U.S. space radar proposed at the Washington meeting, with an antenna the size of a football pitch, would require 50 kW of power. For comparison, the solar demonstration BP plans to build near Southampton will need 500 square metres of solar panel to generate only 30 kW. The current U.S. nuclear goal seems to be an all-purpose space reactor providing up to 100 kW, to be tested in the Space Shuttle later this decade.

At Los Alamos, a defence research centre, outline designs for a space project called SP-100 have already been drawn. This is a fast (unmoderated) reactor fuelled by highly enriched

uranium and cooled by molten lithium metal. The coolant carries heat from the ceramic fuel core—little bigger than a shoebox—to thermo-electric generators by way of heat pipes, without needing pumps to keep it circulating. The reactor is designed to produce 1,800 kW of heat.

The Russians already have reactors of this basic type providing power to some of their spy satellites. The early version was known as Romashka, Russian for daisy, because of its daisy-like structure of thermo-electric converters. This was succeeded by the Topaz, used to provide high power for relatively brief periods to such space equipments as ocean surveillance radars. Radioactive remnants of such a reactor fell on Canada early in 1978 and again threaten the earth's surface next month, because of failure of the system used to boost the spent reconnaissance satellite safely into high "parking" orbit.

The Canadians sent the Russians a bill for about \$6m for the clean-up operation. The Russians finally paid about half the bill.

The Topaz reactors are designed to provide a huge burst of power—like a nuclear rocket—for a relatively short time, a matter of a few months in this case. In contrast, U.S. interest lies in a reactor with a life of full-power of perhaps seven years, of the same order as the latest submarine reactors. It must also be robust, not only to withstand the launch but also abrupt manoeuvres in space. Science quotes William Ranken of Los Alamos saying that he could design a reactor for up to three times the acceleration of gravity but "10g is another story."

## TELEPHONE LOGGING

## Still a demand for low-cost systems

ACCORDING to David Siegel, Ansafone's sales manager, there is still a big demand from small to medium companies for a relatively low cost phone call logging system.

So the company is offering Telecost TNA64 and claims that it will produce savings of up to 38 per cent on telephone bills.

The machine is customer programmable and is available in four sizes to handle 16, 32, 48 and 64 exchange lines and

According to Los Alamos scientists, the Nevada project has already demonstrated that "a complete nuclear rocket system can start on its own power and operate stably over a wide range of conditions." One test series consisted of 28 tests at various power levels with a total engine operating time of just under four hours.

Present U.S. objectives include a strong emphasis on safety following the 1978 Russian accident. The UN Committee on the Peaceful Uses of Outer Space decreed that unscheduled re-entry of a space reactor should not expose anyone on earth to radiation doses exceeding the limits recommended by the International Commission on Radiological Protection.

Mr Manning Munzing, president of the American Nuclear Society, told the Washington meeting that none of the 23 nuclear systems used so far to supply power to U.S. space activities—the latest in 1985—had been subject to licensing. As research systems, all had been exempted, including the Snap 10 reactor, now parked in an orbit where it is expected to remain for 4,000 years, until its activity has disappeared.

Munzing proposed that the revival of interest in space nuclear systems required a new licensing agency, independent of the Nuclear Regulatory Commission, which is bogged down with problems of licensing terrestrial power plants. He believes that a Space Nuclear Power Systems Safety Board is needed, not only to regulate safety, but to reassure the public that there is no risk, as he put it, that "technological enthusiasm can overwhelm prudence."

## TELECOMMUNICATIONS

## Plessey's third generation digital switching system

BY GEOFFREY CHARLISH

FOR SOME time most of the telecom industry has been promoting the idea of making the company PABX the basic switching and communications network for tomorrow's office.

Plessey, it turns out, is the first to obtain approval for the connection of such a system to the public network.

Called IDX, it is described as a totally new, third generation, fully digital integrated switching system. It will allow voice, data, facsimile, videodata, text and telex to be handled together with any future services that will come with the implementation of British Telecom's ISDN (Integrated Services Digital Network).

System X and Project Mercury (the Cable and Wireless/British Rail competitive trunk network).

## Piecemeal

The new exchange will form the core of an overall system called IBIS, which stands for "integrated business information system." In user terms, IBIS is rather more significant than the IDX switch. With a range of workstations Plessey has now, or will develop, together with the appropriate software, most of the office functions now offered piecemeal by the information technology industry will be available in unified form.

The list is considerable and includes word processing, telex compiling and access, desk top computing, data preparation, public and private videodata access, call logging, office management programmes, local area networking and even network planning.

All of this data is carried and switched alongside normal voice communication—over standard twisted pair telephone cable at speeds up to 64,000 bits per second.

Access to the various services from a terminal is via microprocessor based "gateways" associated with the IDX. For example, mainframe computer

terminal emulation gateways allow the workstations to communicate with local or remotely sited computers giving the user the facilities of the computer company's own terminals.

Other gateways will provide an electronic mail service to workstation users allowing the creation and distribution of documents and messages through the organisation.

## Protection

These communications facilities are available to non-Plessey terminals and business machines, protecting and allowing extension of investment in such equipment and software.

Any terminal with a CCITT V24 interface, operating synchronously or asynchronously, is simply plugged in, states Plessey.

For off-site communications, a number of terminals may share a common modem, cutting line costs.

There are also several "management" features associated with IDX/IBIS. Call logging, route restriction, optimisation, and allocated class of service to users can lead to substantial savings on PTT bills.

Because of the integrated nature of the system, all the information is available for future planning and analysis. It is derived from traffic tables which permit rapid analysis of system performance for voice, text and data.

## Generations

As an added bonus for city centre companies in particular, the exchange itself can take up to 75 per cent less space than previous generations. And most of its first line servicing will be carried out remotely—direct from Nottingham over a phone line.

Plessey puts the market in the UK alone for this kind of exchange at 130,000 lines a year. At the \$400 per line end user cost this translates, that comes to a tidy \$52m.

## UPS-or downs



When mains fails or falters  
UPS (Uninterruptible Power Supply)  
will keep you computing.

EMERSON  
Egton Drive, Swindon, Wilt. SN2 2JZ

## Computers

## Sales figures

ACCORDING to Input, the Mountain View, California computer market research company, world expenditure on personal computer software will rise from \$4,500m in 1982 to a staggering \$6,700m in 1987—a mere four to five years time.

The figures appear in a new study by Input called Personal Computer Software Market Opportunities, available from the London office at 35 Piccadilly W1V 9PB (01-439 8885).

In the U.S. alone, predicts the report, the sales of PC software will reach \$3,700m by 1987, having exhibited a compound annual growth rate of 42 per cent per annum. This compares with 24 per cent for the U.S. computer services industry and a likely 3 to 4 per cent for the U.S. economy as a whole.

The forecasts were based on over 1,000 interviews conducted with major vendors and users of PC hardware and software.

## Data storage

## Portable unit

THE MODEL M1633 portable unit from Microdata of Radlett, Herts, is designed for the collection and non-volatile storage of data from the solid state memories of data loggers and similar systems.

The storage medium is a standard 0.25 inch magnetic tape data cartridge, and recording is in computer-compatible ANSI / ECMA serial format.

When its internal batteries are fully charged the device can record or play back a complete data cartridge. It can also operate in a host charge mode from the mains or from a low voltage AC or DC source. The input/output can be either RS232C or IEEE-488 as selected by the customer. More on 09276 3141.

## Sparrow and Sidewinder: double deterrent in Europe's air defense.

Slicing through NATO airspace, this F-15 goes through its paces as one of the world's most advanced fighters. It's suitably equipped with the world's most advanced medium- and short-range air-to-air missiles: Sparrow and Sidewinder.

Since the original Sparrow III was developed some 30 years ago, Raytheon has continued as prime contractor for succeeding models of this radar-guided missile system. And we are currently in full production on the latest version of Sparrow, the AIM/RIM-7M, with greatly improved capability.

Similarly with Sidewinder. As a long-term industrial support contractor for the U.S. Navy, we produced the guidance control section and fuzing system for the currently deployed AIM-9L, and have now entered production on the next generation Sidewinder AIM-9M.

That's today. Looking further into the future, Raytheon has been selected by the U.S. Air Force as the follower producer for AMRAAM (Advanced Medium Range Air-to-Air Missile) that will play an

important role in U.S. and NATO air defense.

Bringing advanced technology to the ever-more-complex world of air-to-air combat is one of our particular skills. And we bring the same expertise to ground-based air defense systems like Hawk and Patriot, and to a broad array of radar, sonar, and electronic countermeasures systems for shipboard use.

For many years, European firms have participated in cooperative production of NATO Hawk and as members of the Raytheon-managed consortium established to develop and produce the NATO Seasparrow Missile System.

Raytheon... a five and a half billion dollar company in electronics, aviation, appliances, energy, construction, and publishing. For copies of our latest financial reports, contact any of the offices or companies listed below or write: Raytheon Europe, 52 Route des Acacias, 1227 Geneva, Switzerland, or worldwide headquarters, Raytheon Company, 141 Spring Street, Lexington, Massachusetts, U.S.A. 02173.

RAYTHEON

FOR INFORMATION ON RAYTHEON GOVERNMENT SYSTEMS contact any of these offices: Raytheon Overseas Limited, 81 Avenue Franklin Roosevelt, Brussels 1050, Belgium • Raytheon Overseas Limited, 31 Davies Street, London W1, England • Raytheon Overseas Limited, 326 Boulevard de la Colonne, 92213 Saint Cloud, Cedex, France • Raytheon Overseas Limited, 112 Adenauer Allee, Bonn 5300, West Germany • Raytheon Overseas Limited, Paseo De La Habana, 12.8° D, Madrid 16, Spain.

RAYTHEON COMPANIES IN EUROPE: Electronics: Cossor Electronics Limited, Harlow, Essex, England • Data Logic Limited, London, England • Raytheon Halbleiter G.m.b.H., Munich, West Germany • Raytheon International Data Systems, Amsterdam, Netherlands; Frankfurt, West Germany • Raytheon Marine Sales & Service, Copenhagen, Denmark; London, England • TAG Halbleiter G.m.b.H., Boeblingen, West Germany • TAG Semiconductors Limited, Zurich, Switzerland • Wire and Cable: Electrical Installations Limited, London, England • Le Fil D'Ormeau, S.A., Meyzieu, France • Greengate Cables Limited, Manchester, England • Kisting G.m.b.H. & Co., Ingolstadt, West Germany • Lacroix & Kress G.m.b.H. & Co., Braunschweig, West Germany • Sterling Cable Company Limited, Aldermaston, Berkshire, England.



# THE INTERNATIONAL MATERIALS HANDLING EXHIBITION 1983

## IMHE 83: shop window for the international handling industry

The International Materials Handling Exhibition returns this year to Earls Court, London, where it will be held from 19-26 April, inclusive.

The exhibition will be the only major European show to be held this year now that IMHE is firmly established on its three-yearly cycle with parallel events held in Hannover and Paris. As such, the organisers — Industrial and Trade Fairs Ltd — have devised one of the strongest exhibitor/visitor packages ever put together since the show was first launched nearly three decades ago.

The unique international character of the show will be as prominent as at any stage in the past. Apart from a strong contingent of UK manufacturers, group national stands have been arranged from France, Finland and Sweden, with individual exhibitors also booked from Belgium, Canada, Denmark, West Germany, Italy, Yugoslavia, the Netherlands and the United States.

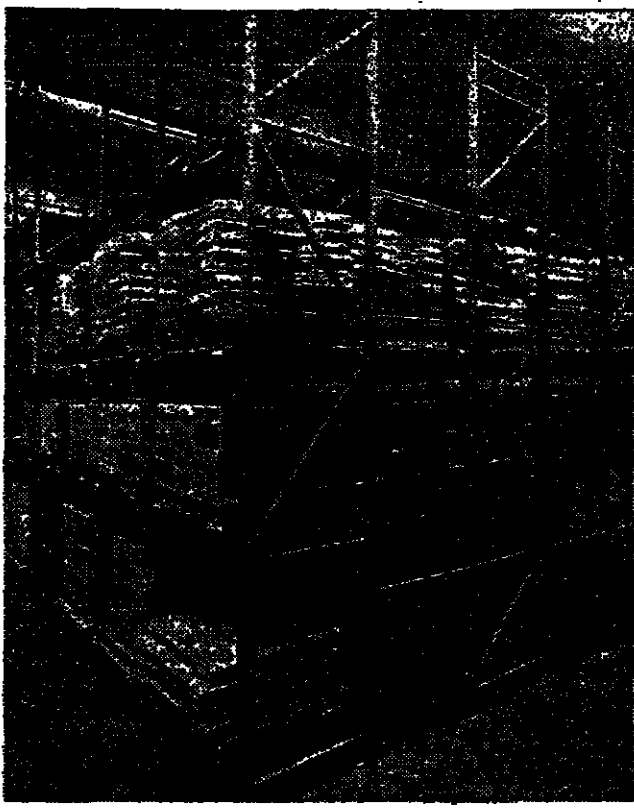
Among the many features of the 1983 International Materials Handling Exhibition are:

- A major international conference on Automated Materials Handling (see separate article).
- An important one-day seminar on trends in distribution costs (see separate panel).
- A full package of complementary UK exhibitions taking place in the UK during April, including:

— FACTORY '83, Earls Court, 19-23 April.

— PAKEX, the International Packaging Exhibition, National Exhibition Centre, 25-29 April.

— BREWEX, the International Brewing, Bottling and Allied Trades Exhibition, NEC, 25-29 April.



SailRail, to be shown by Hovair, uses compressed air for elevating pallets along a 13° slope to provide an economical live storage system

materials handling consultancy. Organised by Industrial and Trade Fairs Ltd, the co-sponsors of IMHE 83 are the Journal Materials Handling News and the British Materials Handling Federation, the latter being the umbrella trade association which represents all the manufacturing interests of the handling industry. Among the constituent bodies of the Federation are the British Industrial Truck Association (BITA); the Storage Equipment Manufacturers' Association (SEMA); the Lifting Equipment Manufacturers' Association (LEMA) and the Mechanical Handling Engineers' Association (MHEA).

An Exhibition Advisory Committee, comprising representatives from IFE and the Federation, is highly active during the build-up period to the show, deciding on both policy and organisational details. It was at the Federation's request, for example, that the exhibition be moved to its former venue at Earls Court following two presentations at the National Exhibition Centre in 1977 and 1980. This close partnership between the organisers and the industry is designed to ensure that IMHE retains all its strengths and attractions as the leading UK event in the materials handling industry.

Sales enquiries to IMHE 83 should be directed to Mr. Pat Foster, Sales Manager, Industrial and Trade Fairs Ltd, Radcliffe House, Blenheim Court, Solihull, West Midlands B91 2BG. Tel: 021-705 6707. Telex: 83791.

Visitor information may be obtained from Mike Coverdale, Publicity Manager, Industrial and Trade Fairs Ltd, at the above address.

## New ideas to the fore at IMHE 83

EVER since it was first launched after the Second World War, The International Materials Handling Exhibition has provided a major shop window for the storage, handling and distribution industries. Equipment on show at this year's exhibition—the 18th in the series—promises to be the most representative of the industry yet seen, with the line-up including industrial trucks, storage systems, conveyors, unit load equipment, hoists and overhead lifting gear, vehicle loading systems, bulk handling and storage equipment, and a wide range of components including engines, batteries, tyres, hydraulic equipment, transmissions and electric motors. The 1983 show will also see greater emphasis on features such as automation, control systems and advanced handling installations in industry's quest for greater productivity.

The following representative sample of exhibits provides some of the new ideas which will be found in industrial trucks, storage equipment, conveyors, unit load equipment and specialised handling systems at IMHE 83.

IN the industrial truck sector, a new model making its first appearance in the UK is the Steinbock electric three-wheel fork lift—Model EFG 1, 25/1, 6TD Eurolift—available in two basic capacities of 1250 kg and 1800 kg respectively.

Standard features of this new truck include a full free lift duplex mast offering good driver visibility, an ergonomically designed driver's compartment including suspension seat, wear level indicators on all motors, and a battery discharge indicator.

The manufacturers say the Eurolift has been designed to the company's usual standards of quality, reliability and safety, with special attention paid to ease of maintenance and quick access to all working parts.

Steinbock UK Ltd, Unit 7, Warwick Industrial Estate, Budbrooke Road, Warwick CV34 5FN.

simple to erect—no nuts or bolts are needed—and can be quickly adjusted.

2. Long-span shelving, an extension to the company's range which is suitable for storing big, bulky items.

3. A new plastic container for small parts storage, with narrow dimensions designed to give better volume utilisation within a shelving unit.

4. A sliding van kit to provide a mobile storage facility for commercial service vehicles.

5. Portafix 6, a portable storage system suitable for the factory, workshop and domestic DIY market. The Portafix can be supplied as a single unit with 12 containers or as two units hinged together.

● a medium duty system which includes a vertical lift, accumulation conveyor, inclined and horizontal belt conveyors, gravity roller conveyor and chain transfers.

● a free-standing belt conveyor from the company's light-duty series based on standard modular components, and

● a MASVC electronic control panel with accompanying software for the necessary operational systems.

Masey Ltd, 79 Lee Lane, Horwich, Lancs.

ANOTHER company serving the storage/conveyor market is Interroll who will introduce their Flow Storage system at IMHE 83. This gravity storage arrangement is suitable for

● a medium duty system which includes a vertical lift, accumulation conveyor, inclined and horizontal belt conveyors, gravity roller conveyor and chain transfers.

● a free-standing belt conveyor from the company's light-duty series based on standard modular components, and

● a MASVC electronic control panel with accompanying software for the necessary operational systems.

Masey Ltd, 79 Lee Lane, Horwich, Lancs.

ANOTHER company serving the storage/conveyor market is Interroll who will introduce their Flow Storage system at IMHE 83. This gravity storage arrangement is suitable for

Novair, specialists in the movement of heavy loads via compliant air bearings, will show a full range of their products with details of a number of recent applications in this field. The company will also use IMHE 83 to launch the SailRail system in the UK.

A Manufactured by SailRail Enterprises of Canada, this system can be used for pallet loading and gravity storage applications. SailRail uses compressed air which is released through jets set in aluminium tracks. The air elevates pallets on the tracks to reduce sliding friction and a gentle push or pull by a fork lift can easily guide a full 20 or 40 tonne load in or out of a trailer. The same system can, by a combined use of gravity on a 14° slope and automatic air control, provide a safe and economical live storage system. Installed either on or flush in a floor, this new product can also provide a simple and inexpensive inter-bay transfer system or production line.

Novair Systems Ltd, Ampere Road, London Road Industrial Estate, Newbury, Berks.

BUILDING upon their success in the export field over the past year, Pallettower will be showing their new range of heavy duty cold store pallet converters at IMHE 83. In under 12 months, the company has supplied over 20,000 of these galvanneal steel units to customers in Lebanon, Saudi Arabia, Kuwait, Bahrain, the UAE, Oman and Hong Kong.

A further £300,000, has recently been received from a cold store operator in Dubai.

The converters are said to be easy to use and can be assembled by one man in 75 seconds. The method of interlock prevents any movements of the converter and there is no possibility of component parts accidentally becoming loose when in service. The converters are hot dip galvanized to a high standard of finish, with steels specially selected for cold store use where—in the Middle East—temperatures can vary from -40°C to +100°C. Standing 6 ft high, the converters are designed to carry loads of up to 1.5 tonnes each, with stacking 5-high to a height of 30 ft within the cold store.

Pallettower (GB) Ltd, Orbit House, Hayes Lane, Alderley Edge, Cheshire SK3 7LE.



Driver's compartment of Steinbock's new Eurolift fork lift truck

## Probing the future of automated systems

ONE of the most important events running alongside IMHE 83, will be the first major international conference on automated materials handling to be held in the UK for nearly a decade. As such, the event will offer delegates a timely review of recent progress in this field, with information on the latest advances in hardware and control systems, and summaries of users' experience on major installations both at home and abroad.

Frequent criticism has been voiced in the past over UK industry's failure to modernize. "Automate to survive" has therefore been chosen as the powerful theme for this International Conference on Automated Materials Handling. As more and more companies

around the world invest in automated manufacturing and distribution facilities as a means of improving quality, increasing output and reducing production costs, materials handling continues to rank as one of Britain's most labour intensive and costly industrial activities.

The full programme for the conference is published below. Delegates may book for individual sessions if they do not wish to attend the full conference. The venue for the event is the Crownwell Hall, within the Earls Court exhibition complex, which will allow delegates to visit the show between conference sessions.

Arranged by IFS (Conferences) Ltd, with an organising committee chaired by Professor R. H. Hollier, Professor of

Operations Management at the University of Manchester Institute of Science and Technology (UMIST), the conference is sponsored by:

- The British Robot Association
- The Industrial Robot Magazine
- Federation Européenne-Manutention
- "Materials Handling News"
- The National Materials Handling Centre

For a brochure and registration form, contact the Conference Administrator, IPC Conferences Ltd, Room 1313, Surrey House, Throley Way, Sutton, Surrey SM1 4QJ. Tel: 01-643 8040, ext. 4892.

● British Materials Handling Federation

● British Materials Handling Board

● The Institute of Materials Handling

For a brochure and registration form, please contact: John Hampson, Conference Director (AMH), IFS (Conferences) Ltd, 25-29 High Street, Kensington, Bedford MK42 7BT. Tel: 0234 253605. Telex: 825489.

### Distribution costs seminar

IN addition to the conference on automated materials handling, a one-day seminar on Emerging Trends in Distribution will be held on April 19—the opening day of IMHE 83. Presented by the Journal Materials Handling News, the objectives of the seminar are to examine current trends in the distribution costs profile, to project the pattern for the future and to assess the importance of these developments for industry as a whole. (Full details of the recent Distribution Costs Survey which prompted this seminar were published in the Financial Times, 25 November, 1982, p.11.)

For a brochure and registration form, contact the Conference Administrator, IPC Conferences Ltd, Room 1313, Surrey House, Throley Way, Sutton, Surrey SM1 4QJ. Tel: 01-643 8040, ext. 4892.

## Two shows for the industrial buyer

ONE of the added features of this year's International Materials Handling Exhibition will be the staging of a concurrent and complementary show concentrating on the manufacturing and production end of the market.

With some sectors of British industry emerging from the recession, FACTORY '83 has been launched to give manufacturers and suppliers of all types of factory equipment and services the opportunity of improving their market share in the mid-1980s.

Exhibition Director, John Legate feels that many visitors will have a common interest in both shows, with the Earls Court exhibition complex providing a powerful magnet in April for industrial purchasers from all over the UK, Europe and other industrialised and developing areas. "We anticipate that the two exhibitions will attract somewhere in the region of 25,000 visitors," states John Legate. Visitors to any one of the shows will automatically be given free access to the other event.

Stands at FACTORY '83 will be sold as a total package

including floor space and basic stand fittings which obviate the need for exhibitors to commission expensive stand design and construction. "The emphasis throughout FACTORY '83 is on cost effectiveness," says John Legate, "with exhibition units ranging from 12 sq metres (£660) to a maximum of 100 sq metres (£5,000)."

Exhibitors will cover all aspects of the factory environment including construction and maintenance and all types of equipment and services used on the shop floor. Typical products on show will include commu-

nications equipment, vending machines, heating and lighting units, security services, cleaning systems, safety equipment, washroom fixtures and supplies, clothes lockers and industrial clothing, food and cafeteria dispensing equipment, partitioning and many other dozens of useful factory aids.

For further information about FACTORY '83, please contact David Bull, Sales Manager, Industrial and Trade Fairs Ltd, Radcliffe House, Blenheim Court, Solihull, W. Midlands B91 2BG. Tel: 021-705 6707. Telex: 83791.

For further information about FACTORY '83, please contact David Bull, Sales Manager, Industrial and Trade Fairs Ltd, Radcliffe House, Blenheim Court, Solihull, W. Midlands B91 2BG. Tel: 021-705 6707. Telex: 83791.

### AUTOMATED MATERIALS HANDLING CONFERENCE

WEDNESDAY, 20 APRIL, 1983

- Session I: Finance, Management & Systems Planning
- Absolute physical parts control  
C. Burnham, Ingersoll Engineers and a further speaker from BI Systems, UK
- Development of strategies for controlling material-flow systems  
R. Bachers & H. J. Steffens, Institute for Manufacturing Engineering and Automation, West Germany
- Improving productivity by incorporating flexibility into an automated design  
R. P. Armstrong, IBM United Kingdom Ltd, UK
- The appraisal and justification of automated materials handling projects  
R. L. Penrice, Carney Penrice Ltd, UK
- Session II: Advanced Handling Applications
- Systems designed to handle and control production on the shop floor  
P. J. Mitchell, Dexdon Ltd, UK
- FIGARMA—Fully integrated garment manufacture  
N. Nilsson, Institute for Management of Innovation and Technology, Sweden
- Automated handling in the frozen food industry  
N. A. Lee, Modern Materials Management Ltd, UK
- Automated materials handling in a distribution centre for books and records  
U. Wehler, Vereinigte Verlagsanlieferungen GmbH, Germany
- Automation in retailing  
J. Coates, Littlewoods Organisation PLC, UK
- THURSDAY, 21 APRIL, 1983
- Session III: Handling Heavy & Hazardous Loads
- The ISOV System—steel stockyard management  
W. J. Lang, SPL International, Netherlands
- Automated handling and preparation of steel sections in the fabrication process  
C. Barber, Roche Vale Group of Companies, UK
- An isolated levitation system for transport of hazardous objects  
D. B. Lowe, Taylor Hitec Ltd, UK
- Heavy load automation—future in the air  
B. E. Wright, Hovair Systems Ltd, UK
- Automated container handling in ports  
R. H. S. Jack, Herbert Morris Ltd, UK
- Session IV: Recognition systems
- Machine vision in the automated handling of engine components  
C. B. Beasant & F. Maali, Imperial College, UK
- Automatic identification by laser scanning techniques  
C. Harrison, Pepperl & Fuchs (GB) Ltd, UK
- A visual system to help robots to load and unload industrial work-pieces  
V. Georchev & K. Belov, Bulgarian Academy of Science, Bulgaria
- Session V: Automated Guided Vehicle Systems
- Automated pallet storage by turret truck  
J. C. Gilbert, Lansing Bagnall Ltd, UK
- Economical multi-module pallets in complex distribution centres  
K. R. Weber, Planning Group for Industrial Construction, Germany
- FRIDAY, 22 APRIL, 1983
- Session VI: Automated Guided Vehicle Systems
- New concepts through flexible transport and storage systems with ROBO vehicles  
F. Schneider, Schindler Digitron AG, Switzerland
- Modern handling methods in practice  
R. C. White, Babcock FATA Ltd, UK
- Automated guided vehicles  
D. Clayton, Jungheinrich (GB) Ltd, UK
- Session VII: Future Trends
- Increasing materials management productivity through automated systems  
R. G. Birtzall, Logisticon Inc, USA
- Automated sortation systems  
G. Shimmings, SM Consulting Group, UK

# BIG SAVINGS IN YOUR HAND..

Nowadays you have to minimise your costs just to survive.

Moving it costs money. Leaving it there costs money.

So, with an estimated 63% of the cost of a manufactured product spent on movement and storage, it's time you took a close look at the latest advances in products, and methods and the new technology which could dramatically reduce your costs.

The International Materials Handling Exhibition 1983 held in conjunction with Factory '83, will provide you with a whole host of opportunities. Over 450 exhibitors will take up the whole of London's premier exhibition venue — Earls Court. Plus an International Conference on Automated Materials Handling and Seminars and Workshops on Distribution costs.

OPENING TIMES:  
19th – 25th April – 0930 to 1730,  
26th April – 0930 to 1600.  
(Factory '83 from 19th – 23rd April).

Tel: 021-705 6707.

Phone for further information or post the coupon.

Please send me details on  
☐ Exhibiting at IMHE '83  
☐ Visiting IMHE '83  
☐ Exhibiting at Factory '83  
☐ Visiting Factory '83

Name \_\_\_\_\_  
Company \_\_\_\_\_  
Address \_\_\_\_\_

Post to: Industrial and Trade Fairs Limited,  
Radcliffe House, Blenheim Court, Solihull,  
West Midlands B91 2BG.



## THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

## 'We'll talk to anyone who has a better mousetrap'

Guy de Jonquieres reports on the vast choice of supplier now open to the American telecommunications consumer



America's communications revolution: 9

AS American Telephone and Telegraph prepares to be broken up, its customers are being urged by many smaller rivals to unplug themselves from the Bell System and make a new connection. Faced with a rapidly expanding choice of alternatives, increasing numbers of American businesses and households are heading the call.

Cost-conscious subscribers can sign up with a bunch of carriers such as MCI, Southern Bell, or International Telephone and Telegraph, which charge as little as half AT&T's rates to transmit long-distance calls on their own inter-city networks. ITT sells its service off the shelf at Sears' department stores. Just like tyres, clothes and kitchen appliances, large companies, which want to link remote computer centres may call on several satellite operators, such as Satellite Business Systems and American Satellite, which can also set up televised video conferences between points thousands of miles apart.

The really enterprising can club together and buy AT&T circuits, selling spare capacity on the open market. Some companies are taking do-it-yourself principles even further. Merrill Lynch, the financial services group, is building a satellite communication centre in New York with Western Union. It hopes to attract custom from other high-volume corporate users of telecommunications.

"It's a crazy market," says Don Gooding, a telecommunica-

tions analyst with the Yankee group, a Boston market research firm. "A decade or so ago there was just one supplier, AT&T. Two years ago there were 20. Today there are 200."

The door was first opened to competition in telecommunications transmission in 1969 when the Federal Communications Commission (FCC) authorised MCI, then a tiny company, to build a microwave radio circuit from St Louis to Chicago and challenge the giant AT&T for business between the two cities.

The pressures on AT&T's virtual monopoly have intensified steadily since then, culminating in the recent decision to break up the Bell System and eliminate most of the remaining regulatory barriers to market entry. The process has been accelerated by the merger of the technologies of telecommunications for many years a regulated industry, and of the unregulated business of data processing.

The impact is already being felt abroad. Last month the FCC paved the way for a free-for-all in international telephone services, authorising four carriers to compete with AT&T by offering voice communications to the UK. It also abolished the previous distinction between international voice and data carriers.

So far, competition seems to have worked pretty well in the U.S. The Bell System's long-distance rivals have expanded at annual rates of 50 per cent or more, triple AT&T's growth rate. The resale carriers, which buy and resell AT&T circuits, had total revenues of about \$200m last year, their first full year of operation.

Though AT&T has grumbled, its business has barely been dented. It still carries roughly 95 per cent of long-distance interstate traffic, valued at about \$25bn a year. "AT&T doesn't have to give up much for the rest of the carriers to grow very fast," says Harry Edelson, vice-president of research at First Boston, the investment bank.

Conditions are expected to start changing, however, after AT&T is forced to shed its 22 local operating companies at the start of next year. Initially, specialised carriers like MCI to compete with it on more even terms.

AT&T will no longer have free use of the local companies'

## AT &amp; T'S RIVAL CARRIERS

## AMERICAN SATELLITE

Operates a satellite communications network owned jointly by Continental Telephone and Fairchild Industries  
Revenue 1981: \$25m

## GTE CORP.

Largest independent telephone company in the U.S.  
Revenue 1981: \$11bn

Long distance transmission services:  
GTE Telenet—Revenue 1981: \$105m  
GTE Satellite—Revenue 1981: \$13.79m

## MCI COMMUNICATIONS CORP.

Operates long distance telecommunications services.  
Revenue year to March 31, 1982: \$506.3m

## WESTERN UNION

Provides a wide range of communications services, including worldwide telex, telegraph systems and satellites.  
Revenue 1981: \$906.7m

## UNITED TELECOM

Second largest independent telephone system in U.S. Operates Uninet, a data storage network (1981 revenue of \$16.4m and ISACOMM, a satellite communications service.  
Revenue 1981: \$2.3bn.

## SATELLITE BUSINESS SYSTEMS

Jointly owned by Aetna Life and Casualty, Comsat General and IBM. Operates long distance telephone service, satellite networks, data communications, facsimile, teleconferencing.  
Revenue 1981: \$5.26m

## TYMSHARE

Computer services company. Operates Tymnet data communications network.  
Revenue 1981: \$289.7m

## RCA COMMUNICATIONS

Overseas voice/record and domestic satellite services carrier.  
Revenue 1981: \$269.8m.

## GRAPHIC SCANNING CORP.

Operates nationwide data network and radio paging.  
Revenue 1981: \$65m.

## HUGHES COMMUNICATIONS

Operations include satellite leasing, terrestrial microwave network.  
Financial data n.a.

## SOUTHERN PACIFIC COMMUNICATIONS

Operates long distance communications network in U.S. GTE has bid \$750m to acquire it.  
Revenue 1981: \$234.5m.

## ITT TELECOMMUNICATIONS

Operates long distance telephone service and international telex service.  
Revenue 1981: \$370m (worldwide).

## CYLIX COMMUNICATIONS SERVICE Co.

Satellite data communications network. Purchased by RCA in October 1982.  
Financial data n.a.

## VTALINK COMMUNICATIONS CORP.

Operates satellite data communications services. Owned 25 per cent by Western Union. 19 per cent by Hillman.  
Revenue 1981: \$4m.

Research: Rivka Nechama

networks but will have to pay an "access charge" to connect with them, just like the specialised carriers. The latter will also be entitled to better quality local circuits than in the past, and the complicated prefix codes which their subscribers now have to dial will be simplified.

But in the longer run, as access charges are loaded in-

creasingly onto subscribers, the advantage is likely to tilt more in AT&T's favour. It will have room to cut its long-distance tariffs substantially after the break-up, removing the price "umbrella" under which its competitors have flourished. At present, more than one third of its long-distance revenues are used to subsidise the local rates charged

by the Bell operating companies.

Edelson believes that the difference between AT&T's long-distance charges and its rivals' tariffs will narrow from an average of 20 per cent today to as little as five per cent by 1990.

For the specialised carriers, the key to survival almost certainly lies in building bigger and better networks of their own. MCI, which currently relies on its own microwave relays and AT&T circuits to serve about 10 customers in 250 U.S. cities, plans to lay 4,200 miles of optical fibre cable across the U.S. It claims that its network, for which the optical fibres are being purchased from Northern Telecom, will be both cheaper to build and more advanced than similar systems planned by AT&T.

Meanwhile, GTE, the second largest telephone company after AT&T, is expanding from its local telephone base into long-distance communications. It is building a satellite system, has bought Telenet, a data transmission network, and is bidding for

Southern Pacific Communications, which operates an inter-city telephone service.

Its planned acquisition of Southern Pacific is, however, opposed by several other companies. They argue that the principle behind the AT&T breakup—that a vertically-integrated company should not be allowed to control both local and long-distance services—should be applied to GTE. MCI says that if the acquisition goes ahead, it may decide to bid for local telephone companies, on which it relies to connect its subscribers.

Many carriers, including MCI, have also been studying ways of bypassing the local telephone network altogether in urban areas. The main options are to use low-power microwave transmitters, two-way cable television systems or satellites which beam signals directly to rooftop aerials installed on customers' buildings.

The economics of these alternatives are still uncertain. Though local telephone rates are expected to increase steeply—by as much as three times—

after the Bell System is dismantled, it is unclear whether it will be worthwhile to invest in new "bypass" systems to reach large numbers of subscribers.

The possibility is, however, attracting increased interest among large companies which need to transmit information between a limited number of points on a regular basis. It has come to look even more appealing since AT&T eliminated bulk discounts on private circuits 18 months ago, raising charges by more than 50 per cent.

Freer competition is also encouraging companies to be more discriminating in their choice of communications suppliers. Says Harry Freeman, senior vice president of American Express: "Rather than saying 'Let's talk to AT&T first,' we'll talk in future to anyone who has a better mousetrap."

Telecommunications suppliers are responding by selling new services based on estimated demand in the past, most recently Satellite Business Systems (SBS), a joint venture between IBM, Comsat and the Aetna Insurance group.

When SBS started operating just over a year ago, it expected to make most of its money by beaming huge quantities of computer data via satellite between earth stations installed on the roofs of business customers' offices. But it has already had to change tack and diversify into other types of traffic, including a long-distance telephone service which aims to compete with AT&T, MCI and others.

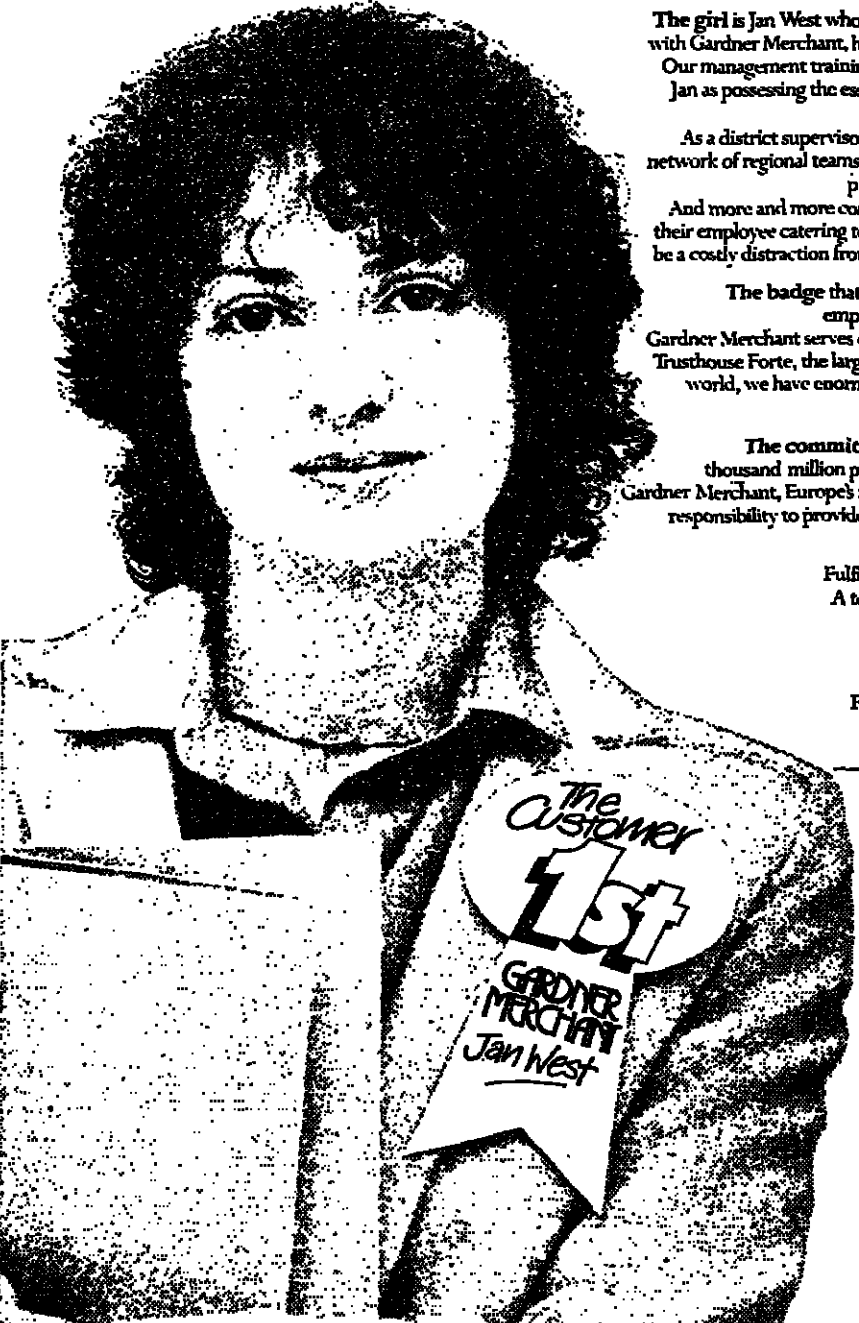
The twist of events is ironic. IBM is widely believed to have backed SBS originally because it considered that AT&T was hindering the growth of computing by continuing to concentrate too heavily on voice services, instead of providing facilities for high-speed data communications.

Moreover, the supply of U.S. satellite transmission capacity, which was starting to grow scarce in the late 1970s, has suddenly been greatly expanded as a result of more liberal FCC policies.

Some industry analysts forecast that a glut may develop in the next two or three years, which would force circuit prices down sharply. That kind of abrupt change is, however, something that the U.S. telecommunications industry will almost certainly have to learn to cope with, as competition for the application of new technology and price competition. But the same process has also turned what was once a utility into a commodity, highly sensitive to fluctuations in supply and demand.

As Americans like to say: there's no such thing as a free lunch. This is the final article in the AT&T series. A report on the company in booklet form is available, price \$3, from Nicole Banham, Publicity Department, Financial Times, Cannon Street, London EC4 4FY.

## A girl, a badge, a commitment.



The girl is Jan West who, after 5 years service as a catering manager with Gardner Merchant, has just been appointed a district supervisor. Our management training and development programme identified Jan as possessing the essential attributes of experience, knowledge and commitment.

As a district supervisor in Manchester, she is part of a nationwide network of regional teams who ensure that a first class local service is provided to meet each client's specific needs. And more and more companies are delegating the management of their employee catering to Gardner Merchant. Because catering can be a costly distraction from an organisation's main business activities.

The badge that Jan is wearing is worn by every one of our employees directly involved in presenting food. Gardner Merchant serves over 1,000,000 meals a day. As a division of Trusthouse Forte, the largest hotel, catering and leisure group in the world, we have enormous buying power and make considerable savings. All our customers benefit.

The commitment—every year, Britain spends over one thousand million pounds to provide meals for people at work. Gardner Merchant, Europe's most successful caterer to industry, has the responsibility to provide an efficient cost-effective service to those who appoint us.

Fulfilling this responsibility is our commitment. A total commitment to put the customer first.

For further details, please write to Michael Oliver, Marketing Director, Gardner Merchant Limited, FREEPOST 100, LONDON E1 8AY, or dial 100 and ask the operator for FREEPHONE 5525.

Gardner Merchant serves over 2,000 clients in industry, commerce, hospitals and schools, providing catering, management, consultancy, training, design, planning and equipment supply. Our clients include Rolls Royce Motors, BP Chemicals, W H Smith, British Rail, Barclay's Bank, IBM, Comsat General, American Express, Hoffman Building Society, BUPA, and Eton College. Whatever your catering needs, Gardner Merchant will provide.

**GARDNER MERCHANT**

*Totally committed to putting the customer first*

SERVICE OFFICES THROUGHOUT THE UNITED KINGDOM AND IN THE IRISH REPUBLIC, HOLLAND, BELGIUM, GERMANY, SAUDI ARABIA AND THE UNITED STATES OF AMERICA.

## To All Holders of CHARBONNAGES DE FRANCE

KUWAITI DINARS 7,000,000

114% GTD. BONDS DUE 1989 (Unconditionally Gtd. by Rep. of France)

The First coupon for the above Issue is due on Tuesday 15.2.83

PLEASE CONTACT EARLIEST:

Kuwait Foreign Trading Contracting &amp; Investment Co. SAK Kuwait

Who are the Fiscal and Principal Paying Agent for the above Issue

K.F.T.C.I.C.

P.O. Box 5668, Safat, Kuwait

Tel: 449030/449031

Telex: 48508 or 43609 KFTSTL

PAYING AGENTS

CREDIT LYONNAIS

26a Boulevard Royal, Luxembourg

KUWAIT INVESTMENT COMPANY SAK

P.O. BOX 1005 SAFAT, KUWAIT

Morgan Guaranty Trust Company of New York

35, Avenue des Arts, 1040 Brussels, BELGIUM

السكك الحربية والبريد والاسكك المالية والاسكك التجارية  
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

## American Motors Overseas Corporation N.V.

6% US-Dollar Bonds due 1992

Notice is hereby given to holders of the above Bonds that the redemption instalment of \$1,500,000, due on April 1, 1983 has been entirely effected by application of Bonds surrendered for conversion.

There will be no drawing by lot.

Willemstad, Curacao

in January 1983

AMERICAN MOTORS OVERSEAS CORPORATION N.V.

## Every day your office needs a little bit of magic

There are often times when you can come unstuck with ordinary sticky tape.

When you want to bring professional standards to even the smallest job in the office—that's when you need Scotch Magic Tape—the right tape for today's office.

Scotch Magic Tape is invisible. It doesn't show up on photocopies. It won't yellow with age—even after years in the filing cabinet. And it can be written or typed on as if it isn't there at all.

Scotch Magic Tape is quite different from ordinary sticky tape. If you're the sort of person who prefers not to advertise your repairs, it could well be your type of tape.

Here's a chance to find out. Clip out the coupon and send it to us and we'll send you a free sample by return of post.

Try a little Scotch Magic once and we're confident you'll stick with it.

## Scotch Office Products

Next ideas for the office.

Alan Jolley, 3M United Kingdom PLC, 3M House, 100, Cannon Street, London EC4A 3DF.

Please send me the free sample of Scotch Magic Tape and details of your special offer.

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

Telephone No. \_\_\_\_\_

Registered in England at 3M House, 100 Cannon Street, London EC4A 3DF.

3M

150 من الجاهل



## THE ARTS

## Gainsborough saved for Kenwood

The late Gainsborough portrait of the inventor John Joseph Merlin has been acquired by the Ivesagh bequest, Kenwood, by the Greater London Council at a special price of £44,800.

The purchase was assisted by the National Art Collections Fund, the Victoria and Albert Museum and the "Friends of Kenwood" organisation, which raised more than £4,000 in small donations following an appeal.

This is Kenwood's first attempt at a private treaty sale and its most important acquisition through purchase since the formation of the Ivesagh Bequest in 1928.

The painting, which has been on loan to Kenwood from a British private collector since 1973, will complement Gainsborough's society portraits and landscapes on show daily from 10 am.

## Hunting Group art awards

Scottish painter John Gardner, who won the watercolour prize in the annual art competition sponsored by the Hunting Group of Companies for Below the Cliffs, a study of an abandoned fishing boat, has been awarded the best oil painting prize by Kenwood for his *Self Portrait at South Bolton Gardens*.

Both artists received a cheque for £5,000. Their work, along with those of 64 other finalists, is being exhibited at the Federation of British Artists' Galleries until tomorrow, Tuesday.

In addition to its annual awards, the Hunting Group has launched a new art competition for British students taking BA Hons courses in Fine Art.

## Chénier and Garibaldi/Milan

Max Loppert

The second new production of the Scala season, *Chénier*, made its way untroubled (unlike the first *Erasmus*) by any sign of audience discontent. The opera has not been given here for more than two decades, and one felt, in the noisily enthusiastic reception accorded the handsome scenic and musical execution, a mass hunger for the piece being palpably assuaged.

The renewed taste for Giordano's most famous opera (in this country also) is easy to understand: in an age yearning for the safe and the certain in art, it is the "well-made" opera par excellence. The influence of an earlier and far more powerful work, Puccini's *Manon Lescaut*, tells strongly. On Giordano's handling of various situations with careful application of period pastiche (choral divertissements, minuets, gavottes before the onset of Revolution, "La saragatella" and *Le Marseillaise* touched on thereafter), Milica's libretto drops names in the manner of a Hollywood historical spectacular, and similarly sympathetic, ill-defined sympathies—the aristocrats and the revolutionaries are both alternately good and bad, depending on the immediate situation in which audience emotions need to be pulled.

And the music, attractive in its detail, sometimes broad in the sweep of its melodies (no lack of "big moments" appropriately placed and timed), Puccinian genius, the flame of inspiration that could set alight dramatic tissues quite as firmly in intellectual ambition as *Andrea Chénier* (and in the case of Puccini's most successful operas, emotionally warped this), and yet admit to the enormous pleasure that its performance such as the Scala's, fervently conducted by Ric-

cardo Chailly, the opera so readily and consistently gives Chailly's way with the score was the unassuming yet masterful control of the best Italian tradition. Every effect was underlined, every climax urgently proclaimed. With lesser singers the momentary style must inevitably result in vulgarity; but the Scala orchestra unleashed its most brilliant blaze of tone, in a way that justified every one of Chailly's hot-headed interventions.

In the 1950s, when *Chénier* was a Scala specialty, the principals were Del Monaco (later Corelli), Tebaldi (later Callas, Bastianini). The current leading trio is lighter casting, as the current reduction in the world's supply of large-scaled opera voices inevitably dictates. Given the slighter dimensions of all the solo outpourings, the choral and orchestral episodes are largely unimpaired. José Carreras seized every one of Chénier's phrases with a warmth and a sensitivity that transformed their cardboard sameness into real poetry; he was romantic, courtly, elegant. Only in the top notes pressed, in the search for extra tonal weight, beyond the safety of the safety zone, did the role appear to strain the tenor's resources unwisely.

To Maddalena's music Anna Trovati-Silvestro, a Mozart and Wagner spinto brought tones cooler than those of tradition—but also a simpler, less *prima donna* manner; she is an artist at once natural and affecting. Piero Cappuccini's immense assurance and reliability made much but not everything of the most rounded role of the opera, the servant-turned-republican leader Gérard. Among the opera's many rewarding smaller roles, it was pleasant to see again Kathleen Kuhlmann, recently admitted in the Covent-

Garden Scheme, here taking her chance so attractively as the muleman Berta. Carlo Galia's Abbe and Walker Gullino's "Incorrigible" were two exact, and ideally Italianate, compatriots of a kind that transpire performances have of necessity to do without.

The production, by Lamberto Puggelli in the designs of Paolo Bregni and Luisa Spinatelli, combined an appropriately conventional narrative manner with helpful borrowings from more recent scenographic invention. From the famous Salzburg Ponnelle *Hoffmann* came the choral tableaux sinking and rising from the stage floor, the stanchioned facades on trolleys grouped and regrouped for each new situation. The Revolutionary Tribunal scene was a muddle; to the rest the fluid and colourful production style was excellently suited. Energy was well and purposefully spent on this *Chénier* revival.

At the same time, energy was being wisely and fruitfully spent on a new language some critics rather than the art itself. In the search for new forms and a new language some critics and some architects have adopted the standpoint known as "Post-Modern." This is something I have never wholly believed there is a continuity in architectural growth that has little to do with dividing its development into artificial periods that serve the critics rather than the art itself. The new significant developments are those which are clearly serious in their search for a language of architecture that has some meaning. The random adoption of snippets of classical style or the exaggeration of the functional elements into an aesthetic of its own are two of the blind alleys that have diverted some architects.

It is no secret that the search is on for new forms of architecture. This is an entirely healthy and natural occurrence and I find it surprising when people regard this quest as some form of attack on "modern architecture." Because it is no secret that I regard architecture as an art, which in its highest form, must be subject to growth, change and development. Artistic development is not always related to social and political questions and although architecture has to respond to the climate and needs of the day it is also concerned with the fundamental requirements of art.

The principal requirement is that imagination and the human spirit should be enabled to soar into the unknown realms through the medium of art. Architecture is unique because it is one art form that surrounds all our everyday activities. It is therefore not surprising that one's spirits are lifted higher in Venice than they are in London's Oxford Street.

In the search for new forms and a new language some critics and some architects have adopted the standpoint known as "Post-Modern." This is something I have never wholly believed there is a continuity in architectural growth that has little to do with dividing its development into artificial periods that serve the critics rather than the art itself.

The new significant developments are those which are clearly serious in their search for a language of architecture that has some meaning. The random adoption of snippets of classical style or the exaggeration of the functional elements into an aesthetic of its own are two of the blind alleys that have diverted some architects.

On a recent visit to the U.S. I was very conscious of the fervent nature of the search for an architecture that links with a value system that is as much social as aesthetic. The difference between New York and London is that in New York some architects believe that

## Architecture/Colin Amery

## Blooms in the desert



Centre of 'Pedestrian City'. Architect: Roger Ferri

architecture is a social art. It is not social engineering that motivates these architects, rather it is a recognition that art has an intrinsic social purpose—to nourish the human spirit.

Roger Ferri is one of the important younger architects based in New York who is engaged in this vital search. He starts his architectural practice from an involvement in the basics of art. He is a painter who still regularly works in the studio, drawing and painting from the model. This establishes his habitual awareness of the human form. While this consciousness of the body can lead to a futile search for physical perfection (a dangerous American disease)—it also does provide a baseline for the development of an architecture that is in touch with humanity as its first priority.

Nature is the other source of ideas that occupies Ferri's mind. He believes that integration with nature is one of the answers to our search for happiness in this troubled century. In architectural terms it is a framework for naturalistic and representational forms means that the inspired visions of this young architect are perfectly buildable. Indeed in American Hotel in Fort Worth, Texas, it is possible to see two built examples of his work.

Ferri has also built two small holiday houses. These are less interesting because they show how difficult it is for the architect, client and builder to

realise some of Ferri's new ideas. In an exciting project, that is now a few years old, this architect literally brought nature into the middle of Manhattan. A giant skyscraper on Madison Square was stepped back from the street to allow a cascade of living landscape planted on the building.

Roger Ferri and some other younger architects in the States have responded to the emptiness of so much current architecture in a positive way that advances our understanding of how architecture can enrich our lives. There is in these a yearning for the architecture that gives rein to

our emotional as well as our intellectual need for expression. Is it all youthful fantasy, an extension of flower power, an unreal vision?

I am confident that it is the beginning of something new and important. The danger is that if the commissions do not come it will never be possible to demonstrate that these new ideas are buildable and realisable.

We need more architects and artists like Roger Ferri who are prepared to tackle the problems of our environment with skilled commitment of eye and hand. Where are the clients who want to show the world that the deserts can bloom again?

## Art in Edinburgh

These things are hard to plan just right: a visit to the Scottish Sculpture Workshop, at Lumadene in furthest Aberdeenshire, arranged long ago, and a notable retrospective exhibition of sculpture by David Nash (of which more tomorrow) to take me to Glasgow, afforded the bonus of a day or two in Edinburgh in the interval. But it was an Edinburgh caught at an awkward, quiet time, with no major show to require attention. For the critic that is no real misfortune at all; the change to look not at particular events under the usual pressure of trains to catch and a schedule to keep, but to take instead a calmer, more general view, was a treat indeed.

Edinburgh is not unusual in that it has a capital city's stock of museums and public galleries, but in the Scottish National Gallery it is possessed of a more remarkable treasure of a collection, and one all the more exquisite for being so choice within a comparatively modest scope. Of all great collections it is perhaps the most assimilable, the least overwhelming.

It has indeed one or two special displays current, but none so large that the visitor, having been caught for the moment, is not gently returned to the larger pool, with its great sequence of Poussin sacraments, the Trinity Altarpiece by Hugo van der Goes, Gainsborough's Mrs Graham, the Finding of Moses by Tiepolo, and Rubens and Rembrandt, Titian, Constable and Raeburn. Larger masterpieces easily

command attention, but it is in the quality and range of the smaller works that the flavour of this particular collection is to be savoured at its most poignant: a dark El Greco *Ecce Homo*; a Chardin pot of flowers; a Fete Venitienne by Watteau; a Vuillard candlestick; a Pissarro kitchen garden; the Madonna, Child and Saint by Lorenzo Lotto—and so much else.

And there are the Turner intercalars that, under the terms of the Vaughan Bequest, may only be put on show in January when the sun should be at its weakest (it would need to be strong indeed ever to penetrate the gallery's new watercolour cabinet). They give a splendid quick run through Turner's career, besides taking the breath away repeatedly, no matter that it might be Durian c1800, green, grey and brown, or Venice in 1840, and the Salute all rose and ultramarine. The other current display is of the work of the Glasgow Boys as represented in Edinburgh's institutional collections. The painters of the Glasgow School (until March 6) deserve more notice than they get for their work was a distinctive, if somewhat academic, Whistlerian post-Impressionism, taking the term in its very broadest sense, and as with their confreres in Newlyn in Cornwall, their unaffected professionalism has much to recommend it. John Lavery, Arthur Melville and David Young Connell are the best known of them. Edward Walton and James Guthrie undeservedly less so.

If Guthrie is remembered at all, it is as the portrait painter to the larger pool, with its great sequence of Poussin sacraments, the Trinity Altarpiece by Hugo van der Goes, Gainsborough's Mrs Graham, the Finding of Moses by Tiepolo, and Rubens and Rembrandt, Titian, Constable and Raeburn. Larger masterpieces easily

Scottish National Portrait Gallery, where the individual studies for his epic composition, *Some Statesmen of the Great War*, now in the National Portrait Gallery, have been put up for an indefinite period—the first time they have been seen in 50 years. All are substantial and accomplished works, some very fully realised indeed—Churchill, Grey and Hughes, the Australian Premier, especially.

To complete the band, the Scottish National Gallery of Modern Art is showing *Through Children's Eyes* (until February 20), a show organised by Southampton Art Gallery, and moving on later to Milton Keynes. The idea is simple and engaging: children confront modern art with fewer prejudices and expectations than their elders, and if they can see the Emperor's skin unadorned from time to time, they can also recognise and delight in the richness and variety of the real clothes he wears.

The children of Wildground Junior School, who work with the organising gallery, and with the wide variety of works selected for the show, works by, among others, Gilbert and George, David Nash, Howard Hodgkin, Francis Bacon, Gillian Ayres and Barry Flanagan: a nicely didactic exercise.

As for rich clothes, Gillian Raffles has allied the Mercury Gallery on the Mound with an extraordinary melange of Japanese Kimonos, Haoris and Jubans (until February 12). The Kikyo and Geisha articles spread-eagled upon the walls in the top gallery celebrate them. The wonderful objects they are, a kind of curiously abstracted tapestry relief, and downstairs there are so many



'Blunette' by E.A. Walton

more domestic garments to actually wear. Whether or not she brings this rich material to her London gallery remains to be seen, but whatever she decides this is a refreshing counterpoint to the more formal initiative of her to extend her operation to Scotland—would that more English dealers follow her lead, for there is much to be gained on all sides should she succeed as she deserves.

Finally, a note to register that the Peter Phillips retrospective, which the Walker Art Gallery sent on tour and which was shown in Oxford, opens at the Scottish Arts Council's Fruitmarket Gallery this weekend.

WILLIAM PACKER

## Syrinx/Wigmore Hall

David Murray

Syrinx consists of flute, harp and string trio—all excellent musicians, all boasting London Philharmonic connections. The string trio, young harpist, Gillian Tingay. They have repertoire problems, for the ensemble positively invites lightweight, pretty music (like the staggeringly modest Nocturne they commissioned from Michael Berkeley); but they are assiduous about delving for novelties, and at least they can vary their programmes with duos and trios, not to mention the Mozart flute quartets. Their natural historical ground remains, of course, the Impressionist period.

Two minor Impressionists were resurrected in their Friday concert. One was Florent Schmitt, a very long-lived composer (1871-1958) whose best work predates the 34 Swiss *Jeux* by some way—once the vogue for late romanticism had passed, he declined into small, playful doodlings like this Suite. Efficiently played, it was nonetheless a dispiriting business, with a harp part that might have been for a mere supporting piano, the strings treated en bloc like a hotel orchestra and the flute used squarely for top-line reinforcement.

The other more recent principal conductor of the BBC Scottish Symphony Orchestra. He takes over his position later this year.

seed much of his composing career to conducting (and helping orchestrate) the music of more distinguished contemporaries like Debussy. His *Voyage* proved to be a fresh little riverpoem, like Smetana's *Vltava* reorchestrated and miniaturised.

Kodaly's gutty, impassioned Duo for violin and cello made a bracing contrast, delivered with enthusiasm and some virtuosity by David Nolan and Mark Jackson. By far the strongest piece in the programme was Debussy's late Sonata for flute, viola and harp, for which Martin Parry and Anthony Byrne joined the redoubtable Miss Tingay. The performance was impressive, and curiously unadventurous. Every bar of this most subtle work was addressed with Berthovian seriousness and muscle—no half-lights, no whimsy, but solid argument forcefully projected. In proportion to the formidable grasp of the work that Syrinx displayed its deceptively casual surface evaporated. I confess I missed it.

## BBC appointment

Jerzy Maksymiuk has been appointed the new principal conductor of the BBC Scottish Symphony Orchestra. He takes over his position later this year.

## La Fin du jour/Covent Garden

Clement Crisp

The revival of *La Fin du jour* on Friday night brings back to the Covent Garden repertoire one of Kenneth MacMillan's most elegant and most audacious ballets. The pursuit of pleasure is a serious matter, yet to show it with the proper lightness of touch, to preserve the bloom on frivolity, is a notable achievement. MacMillan's allusive choreography seems as glossy and evanescent as the fashionable '30s figures he celebrates; he preserves them, idealised, idolised—in a choreographic amber of nostalgia.

They are the *beau monde* of Cap Ferrat or Hollywood, forever beautiful and at ease, awoken for an instant from the pages of *The Bystander* or *Vogue* by the dazzled eye of an observer from across the chasm of the 1940s. *La Fin du jour* is an exercise in romanticism, showing us dream creatures as impalpable as Fokine's sylphides, but this does not minimise the skill and aplomb of a language which presents marionette figures turning, twisting, striking sportful attitudes as chorus to the central quartet of Merle Park and Jennifer Penney, Wayne Eagling and Julian Hooking.

Amid the glittering play that surrounds them, these four incarnate both an amused approach to their time and also

its life-style, its artefacts and machines. They are Art Deco objects as modish as Molyneux frocks and Ruhlmann furniture, cinema interiors and chromolux cocktail sets. MacMillan's choreography is formally ingenious, refracting light and ideas like a Cartier jewel of the period—becomes a homage to that age, matching the jazzy wit and controlled lyricism of the Ballet's major piano concerto. Friday night's cast was excellent, with Miss Park's *mondain* air and Miss Penney's fluent, slithering especially fine.

The evening—an unusually well-balanced triple bill for the Opera House—had begun with *La Bayadère*, notable for Wayne Eagling's passion and broad-spanning power as a Solor who now deserves to be seen in the full-length ballet, and for Deirdre Eiden's ravishing account of the first Shade's solo.

The succeeding *Prodigal Son* found Ashley Page as a superb hero, with all the burning energy which makes his scene and the intensity of suffering at the end which maintains the role's proportions as its physical outline shrinks and its feelings deepen. A new Sirey was Roylwyn Whitten, a most gifted dancer with a clear, true technique, who seemed at odds with the menacing sexuality of a role.

## Arts Guide

Music/Monday, Opera and Ballet/Tuesday, Theatre/Wednesday, Exhibitions/Thursday, A selective guide to all the Arts appears each Friday.

January 21-27

## Music

## LONDON

Swedish Radio Symphony Orchestra conducted by Yevgeny Svetlanov with Paul Turello, cello, Edgar and Doreen, Royal Festival Hall (Mon), (0233191).

Cello Concert, piano, Beethoven, Liszt, Chopin, Fauré and Debussy, Queen Elizabeth Hall (Mon), (0233191).

Royal Philharmonic Orchestra conducted by Antal Dorati with Jean-Philippe Collard, piano, Delussy, Ravel and Stravinsky, Royal Festival Hall (Tue).

The Fires of London conducted by Peter Maxwell Davies and John Carrere with Mary Thomas, soprano, Maxwell Davies, Queen Elizabeth Hall (Tue).

London Philharmonic Orchestra conducted by Bernard Haitink with Maurizio Pollini, piano, Mozart and Mahler, Royal Festival Hall (Wed).

English Chamber Orchestra conducted by Gustav Kuhn with Isabel Buchanan, soprano, Mozart, Queen Elizabeth Hall (Wed).

Philharmonia Orchestra conducted by Simon Rattle with Ann Murray and Alfredo Hodgson, mezzo-soprano, and John Hutchinson, tenor, Mahler, Royal Festival Hall (Thur).

Bernard Roberts and Yolande Wrigley, pianos, Mozart, Tippett and Bax, Purcell Room (Thur).

Rossini Scott's Fifth Street Trumpeter and Humphrey Lyttelton and his band, All week.

## LONDON

Swedish Radio Symphony Orchestra conducted by Yevgeny Svetlanov with Paul Turello, cello, Edgar and Doreen, Royal Festival Hall (Mon), (0233191).

Cello Concert, piano, Beethoven, Liszt, Chopin, Fauré and Debussy, Queen Elizabeth Hall (Mon), (0233191).

Royal Philharmonic Orchestra conducted by Antal Dorati with Jean-Philippe Collard, piano, Delussy, Ravel and Stravinsky, Royal Festival Hall (Tue).

The Fires of London conducted by Peter Maxwell Davies and John Carrere with Mary Thomas, soprano, Maxwell Davies, Queen Elizabeth Hall (Tue).

London Philharmonic Orchestra conducted by Bernard Haitink with Maurizio Pollini, piano, Mozart and Mahler, Royal Festival Hall (Wed).

English Chamber Orchestra conducted by Gustav Kuhn with Isabel Buchanan, soprano, Mozart, Queen Elizabeth Hall (Wed).

Philharmonia Orchestra conducted by Simon Rattle with Ann Murray and Alfredo Hodgson, mezzo-soprano, and John Hutchinson, tenor, Mahler, Royal Festival Hall (Thur).

Bernard Roberts and Yolande Wrigley, pianos, Mozart, Tippett and Bax, Purcell Room (Thur).

Rossini Scott's Fifth Street Trumpeter and Humphrey Lyttelton and his band, All week.

Avery Fisher Hall: New York Philharmonic, Giuseppe Sinopoli conducting, Malcolm Frager piano, Beethoven, Mozart, Schubert (Tue), (9142424).

Merkin Concert Hall (57th W. of Broadway): New York Pro Arte Chamber Orchestra conducted by Raffael Adler with soloists Ralph Evans violin, Michael Rudakov cello, Robert Johnson french horn, Marybeth Ewing viola and Menahem Pressler, piano, Bach, Telemann, Seymour Barab (world premiere), Grieg, Bartok (Tue), (352-8719).

Orchestra Hall (220 S. Michigan): St. Louis Symphony, Leonard Slatkin conducting, Jacob Berg flute, Peter Bowman oboe, George Sillescu clarinet, George Herby bassoon, Weber, Mozart, Prokofiev (Tue); Chicago Symphony, Henry Mazer conducting, Ferris Acclamation for Organ and Orchestra (world premiere), Honaggar, Ravel (Thur), (435-6122).

Vienna: Musikverein (051189): Lucia Popp lieder recital, Schubert, Schoenberg and R. Strauss (Mon); Vienna Symphony Orchestra conducted by Genadi Rozdovsky, Soloist: Victoria Clara Postnikova, Mozart and Brahms (Wed and Thur).

Konzerthaus (72121): Edita Grubirova, Soprano, Irwin Gega, piano.

## LONDON

Lieder recital, Mozart, Brahms and Strauss (Wed).

Warsaw's Grazyna Bacewicz quartet: Beethoven, Kraviz, Smetana (Mon) Radio France, Grand Auditorium, (2302060).

Ensemble Orchestral de Paris conducted by Kurt Radel, Paul Esposito, counter-tenor, Yvan Chiffolleau, cello, Vivaldi, Bach (Tue, Wed) Salle Gaveau, (5632030).

Novel Orchestre Philharmonique conducted by Hubert Scharer with the Radio France choir: Jolivet, Saint-Saens (Wed) Saint-Germain-des-Près church (2303184).

Orchestre de Paris conducted by Daniel Barenboim with Zubin Mehta: Wagner's *Siegfried*, Saint-Saens, Brahms (Wed, Thur) Salle Pleyel (563-88730).

Novel Orchestre Philharmonique conducted by Emmanuel Krivine: Gerhard Oppitz, piano; Fauré, Mozart, Haydn (Thur) Salle Gaveau (5632030).

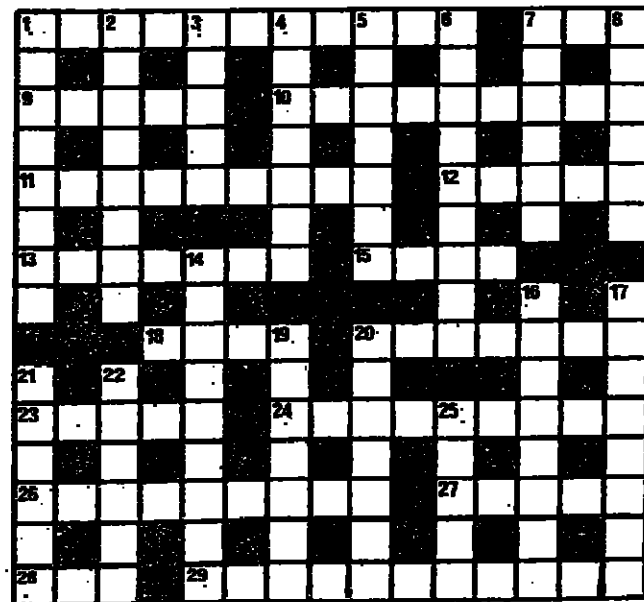
Concert Lamoureux - Raymond d'Arco, Reger, Cohn, Beethoven, Brahms Sonatas (Thur 3pm and 8pm) Pleyel, Salle Chopin (563-8873).

## F.T. CROSSWORD

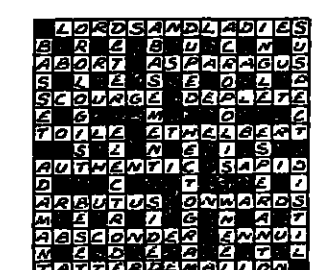
PUZZLE NO. 5,079

- ACROSS
- Absorbing business offer (4,4,3)
  - The old drink (3)
  - In skill the French sentry should be (5)
  - China has a poor start to the game (9)
  - Complicated to work out (9)
  - Showy fair lady? (5)
  - It makes a man keen on money, and a woman on food (7)
  - Husband to rescue! (4)
  - Support man with a record (4)
  - Jewish father (7)
  - A fight in the neighbourhood (5)
  - Lack of restriction enjoyed by Pinocchio (2,7)
  - Looking for loose change, sir? (9)
  - Sounding cheerful in Northumberland (5)
  - Port or whisky (3)
  - Kept wondering? (4,2,5)

- DOWN
- The difference between imports and exports (5,3)
  - Not only don't come, but prevent others coming (4,4)
  - Excel in striking a note (5)



Solution to puzzle No. 5,077



FINANCIAL TIMES operates a subscription hand delivery service in the business centres of AMSTERDAM, BOSTON, BRUSSELS, CHICAGO, COPENHAGEN, DUBLIN, FRANKFURT, GENEVA, HAGUE, HAMBURG, HONG KONG, LONDON, JAKARTA, KUALA LUMPUR, LISBON, LOS ANGELES, MADRID, MANILA, MEXICO CITY, MIAMI, MONTREAL, MUNICH, NEW YORK, PARIS, PORTO, ROTTERDAM, SAN FRANCISCO, SINGAPORE, STOCKHOLM, SYDNEY, TOKYO, TORONTO, UTRECHT, VIENNA, WASHINGTON.

For information contact: G. T. Damer, Financial Times, Guildenstraße 54, 6000 Frankfurt am Main, W. Germany or Laurence Allen, Financial Times, 15 Rockefeller Plaza, New York, N.Y. 10019.

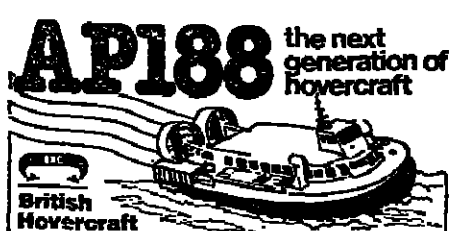












SIGNS OF U.S.-ISRAEL SPLIT OVER LEBANON WITHDRAWAL TERMS

## Habib tries to break deadlock

BY DAVID LENNON IN TEL AVIV

MR PHILIP HABIB, the special U.S. Middle East envoy, met in Jerusalem last night with Mr Menahem Begin, the Israeli Prime Minister, and other senior officials amidst signs of deep differences between the U.S. and Israel over the terms for an Israeli withdrawal from Lebanon.

The meeting was a final attempt by Mr Habib to break the deadlock before returning to Washington to report to President Ronald Reagan on his peace mission. Lengthy and intensive discussions last week between the American diplomat and Israeli leaders failed to produce any agreement.

Jerusalem now fears that Mr Habib will blame Israel for the lack of progress and that this could lead to a further deterioration of relations with the Reagan Administration.

Israel insists that in return for withdrawing its troops, it must be allowed to man three surveillance stations in southern Lebanon and has rejected the idea of having the spy stations operated by American personnel.

Israel also wants to conduct air and sea surveillance of Lebanon; it wants Unifil, the United Nations troops, moved out of southern Lebanon, and a special status for the Israeli backed forces of rebel Lebanese Major Saad Haddad. In addition, Jerusalem wants a detailed, written agreement on normalisation with Lebanon before the withdrawal.

Mr Habib has tried to persuade the Israelis to soften these demands, arguing that they were impossible for Lebanon to accept. But the Israelis have accused the U.S.

diplomat of influencing the Lebanese to reject these terms.

An Israeli official yesterday accused the U.S. of adopting a very tough stance in the negotiations in order to impress the Arab states and particularly King Hussein of Jordan who is considering entering into peace negotiations with Israel. Dr Yehuda Ben-Meir, the deputy Foreign Minister, denied reports that Mr Habib had issued veiled threats to impose the American terms for a settlement. He admitted that there are differences of opinion on a number of points, but added: "I don't think there is any crisis."

However, at yesterday's Cabinet meeting General Ariel Sharon, the Defence Minister, said Israel should brace itself for all-out American pressure. An unnamed official in Jerusalem was cited as saying



Mr Philip Habib: final attempt that acceptance of the U.S. position would prevent Israel from achieving its war aims in Lebanon. Pressure on UK over Lebanese aid, Page 3.

## Opposition grows to site missiles in UK

BY PETER RIDDELL, POLITICAL EDITOR, IN LONDON

PUBLIC OPPOSITION to the siting of cruise missiles in Britain is growing, according to two new opinion polls, but a majority of the public is still against unilateral nuclear disarmament by the UK.

The polls, carried out by Marplan for The Sunday Times, show that the majority of the British public still favours the retention by the UK of an independent nuclear deterrent, while it disapproves of the proposal to go ahead with the new Trident system and is critical of U.S. policy, especially over cruise.

These preferences do not exactly match the policy proposals of any party. The nearest overlap is with the multi-idealist wing of the Labour Party, represented by Mr Denis Healey, its deputy leader, and Mr Peter Shore, its economy spokesman, and the leadership of the centrist Social Democratic Party/Liberal Party alliance.

The new findings appear as pressure is growing within the SDP/Liberal alliance for a commitment to a freeze on new nuclear deployment. Members of the 450-strong Council for Social Democracy, the SDP's "parliament", are being intensively lobbied by post by unilateralists and opponents of cruise, ahead of a vote on the issue in Newcastle this Saturday.

The findings also underline the dilemma faced by Mrs Thatcher, the Prime Minister, and Mr Michael Heseltine, her new Defence Secretary, in trying to win public support for deployment of the new U.S. medium-range missiles.

The main points to emerge from the poll are that:

- opposition to siting of cruise missiles in Britain has grown since April 1981 from 50 to 62 per cent (Marplan) and is 54 per cent now (Marplan);
- support for the abandonment of nuclear weapons by Britain has dropped from 23 to 21 per cent since 1981 (Marplan). Almost exactly the same figures and trend are shown by a Mori question on unilateral nuclear disarmament, with growing

support for the independent deterrent.

● significantly more women than men are opposed to the siting of cruise missiles in the UK, an outcome in part influenced by the recent women's demonstrations at Greenham Common, one of the proposed sites for the missiles.

● a massive majority (83 per cent, according to Mori) favours joint UK/U.S. control of cruise missiles in the UK - the "dual key" approach - rather than sole U.S. control.

● the nuclear issue may change votes, particularly amongst the young and Alliance supporters (according to Marplan).

There has been a lively debate within the SDP/Liberal alliance on the nuclear issue. SDP leaders are watching apprehensively to see how big a challenge there will be to the Newcastle meeting to the official line of hoping that it will not be necessary to site cruise missiles in Britain, but accepting the missiles if there is no agreement at the Geneva disarmament talks.

An attempt to push the alliance towards a commitment to a nuclear freeze is made today in a pamphlet from Mr Tom McNally, a Social Democrat MP, and Mr Richard Holmes, a leading Liberal and political adviser to Mr David Steel, the party's leader.

The pamphlet - entitled Freeze - calls for a mutual and verifiable freeze on the testing, manufacture and deployment of nuclear weapons. Britain should propose a freeze on the deployment of cruise missiles by the West and a reduction in the numbers of SS20s held by the Soviet Union as a response to the recent Andropov proposals.

This plan has already been broadly backed by the Liberal Party's council. While most SDP leaders support many of the pamphlet's detailed suggestions, they do not agree with a freeze commitment ahead of the Geneva talks. "Freeze - an Alliance for Peace," Poland Street Publications, 9 Poland Street, London W1, 95p.

## Nakasone wins backing for defence changes

Continued from Page 1

As Mr Reagan's strong commitment to arms control and said he was intent on pursuing a peaceful settlement to the long-standing territorial dispute with the Soviet Union over the Kurile Islands, off Japan's Northern coast.

He also reported that he had been able to bring about greater understanding in Washington of Japan's political problems, in meeting U.S. trade demands.

But if Mr Nakasone was able temporarily to satisfy his own party at the weekend, he must also turn his attention to his Asian neighbours, whose nervousness about an enhanced Japanese military role is well known.

The Malaysian Prime Minister, Dr Mahathir Mohammed, arrived in Tokyo for an official visit last night, having expressed considerable reservations to the Japanese press in advance.

"If the defence is extended to mean defence of the sea routes to Japan, including defence of the Straits of Malacca as part of the defence of Japan, then we feel fear," Dr Mahathir said.

Japanese newspapers also reported extensively a weekend editorial in the People's Daily of Peking suggesting that Mr Nakasone had gone beyond his political predecessors in stating that the Japanese-U.S. relationship had a military connotation.

# FINANCIAL TIMES

Monday January 24 1983

**FRANKLIN HODGE**  
WATER STORAGE TANKS  
• Range of temporary & permanent types.  
• For process or potable water.  
• Wide industrial & commercial applications.  
Manufactured and installed by:  
**FRANKLIN HODGE INDUSTRIES LTD.**  
Franklin Road, Botolph Claydon, Suffolk, England  
Telephone 0432 269505 Telex 36593

## UK move to crack down on financial frauds

By John Moore in London

THE BRITISH Government, City of London officials and departments responsible for the UK police forces are attempting to improve the methods of detection and prosecution of frauds.

Last week, a committee headed by a Treasury representative, including officials from the Bank of England, the Home Office, and the Department of Trade, met to consider how to stop the growing incidence of fraud within London's commercial community.

The move, believed to be the first meeting of the committee, follows a series of major City scandals involving licensed dealers in securities, commodity firms, stockbroking firms, and more recently, companies within the Lloyd's of London insurance market.

Two City of London Fraud Squad inquiries are underway into the affairs of two major Lloyd's insurance brokers.

Mr Michael Moseley, a leading opposition Labour MP who has been critical of the way in which the self-regulatory powers of Lloyd's have operated in recent months, said yesterday that he welcomed the new initiative.

The City of London Police Fraud Squad has often been hampered in its inquiries by the growing internationalisation of fraud. Deals are carried out between one country and another, in areas where the British authorities have no jurisdiction, and moreover in areas where extradition might prove impossible. Fraud, while suspected, may be difficult to prove.

As commercial fraud has become more complex, the police argue that they need more expert support from tax specialists and accountants. They are also worried by the growing number of unsuccessful prosecutions which are brought against alleged transients in the UK.

The issues involved in a fraud prosecution are highly technical and are not often understood by a jury in a criminal case. City authorities are now questioning whether a jury system of trial is appropriate to deal with complex fraud cases.

All these issues are to be studied by the new committee in an effort to tighten up the City's system of self regulation.

Last December, the superintendent of insurance for New York, Mr Albert Lewis, urged the British authorities to take tougher action on the question of fraud.

In a letter to all members of Parliament he said, "The best method of preventing fraudulent activities is the greater use of criminal prosecution under the powers presently existing in your country. The alleged hesitancy to prosecute complex insurance fraud must be related by criminal prosecution."

Lloyd's is studying ways in which the information which comes into its possession can be more widely used with other insurance authorities, particularly in the American market, in an effort to stamp out fraud.

## U.S. aims to stimulate economy

Continued from Page 1

into a rather restrictive monetary policy in 1982. The present record unemployment might have been avoided "had we had a more precise monetary policy," he added.

He also acknowledged that interest rates had been driven up by fears about the Administration's budget deficit. Even if the market's response to these deficits was unwarranted by economic reality, the Administration had accepted that "perceptions have now become a reality."

Fears that huge deficits would mean higher interest rates among investors in Wall Street and also in Europe and the Far East had prevented interest rates from coming down in the U.S., Mr Reagan said.

This was why the Administration had been forced to consider the plan for higher taxes in the years beyond 1983. However, these taxes would not be imposed until "way in the future so they would not interfere with the necessary economic stimulus this year," Mr Reagan repeatedly said.

## Strauss calls zero option 'unattainable'

BY JONATHAN CARR IN BONN

THE Western aim of a "zero option" - under which the Soviet Union, in exchange for the U.S. deploying no cruise or Pershing missiles in Europe, would destroy all its intermediate-range nuclear missiles - is "unattainable," according to Herr Franz Josef Strauss, the Bavarian Christian Social Union (CSU) leader.

He said this weekend he believed that the most to be expected from the superpower negotiations in Geneva was that Moscow would agree to give up at least some of its SS-20 missiles.

That meant it was virtually certain that the West would have to provide "a qualitative and quantitative counterweight," Herr Strauss added, in a reference to plans for deployment of new U.S. missiles in Europe if the Geneva talks fail.

The CSU leader, whose party is in coalition with Chancellor Helmut Kohl's Christian Democrats (CDU) in the Bonn Government, said the union was making this point clear to voters even before the election day of March 6.

In another statement this weekend, however, Herr Alfred Dreger, leader of the CDU-CSU group in the Bundestag, made clear he was sticking to the "zero option" aim.

"We want no missiles at all, neither American nor Russian," he said.

The comments are typical of the tactical confusion which has emerged in government party ranks - on missiles and some other issues - as the election day approaches.

While few among the parties privately felt that the "zero option" was likely to be achieved, many - including Herr Kohl - have tried to hold fast to it in public for fear of undermining the U.S. negotiating stand.

When Herr Hans Dietrich Genscher, the Free Democrat (FDP) Foreign Minister, recently talked in public about "interim solutions" in Geneva he was promptly whisked back into line by Herr Kohl.

But now with Herr Strauss, too, publicly abandoning the "zero option", and indeed half-jokingly it as a creation of the previous Social Democrat (SPD) Government - Herr Kohl is likely to be increasingly isolated.

The signs that the Washington Government too may be changing its public stance on the "zero option" could, it is felt here, also leave Herr Kohl stranded before the electorate with a posture tougher than that of Bonn's key ally.

Concern over U.S. nuclear safety, Page 2; Technical reports, Page 10

## Opec struggles in bid to set output quotas

Continued from Page 1

any deviation by Venezuela from its budgetary plan to produce nearly 2m b/d this year and export 1.8m b/d could result in imposition of foreign exchange controls, devaluation of the bolivar, and even the risk of a possible default. The Government is already attempting to reschedule some of its debt and can hardly contemplate any such measure in an election year.

The Venezuelan position remains that it will abide by an equitable system of quotas if other members do so and refrain from discounting. Real underlying demand for Opec oil is estimated by some of its leading experts to be 19m to 20m b/d. It is thought that the shortfall in supply has been made good by a further rundown of stocks at a rate that cannot continue indefinitely.

At the same time, there is general recognition that a lower reference price could only result in a marginal increase of Opec's market share at the expense of other producers, in particular the UK and Mexico.

Moreover, a lower reference, while being in Opec's long-term interest, would increase the tempta-

tion of some members to produce more and to cut prices - requiring discipline on both fronts. That could be enforced only by the threat of Saudi Arabia opening the taps as it did from the beginning of 1979 to the autumn of 1981.

Publicly only Dr Mana al Otaiba, the United Arab Emirates' Minister of Oil, has acknowledged the possibility of the conservative Arab producers of the Gulf realigning, with what would be expressed in Opec parlance, as a "downward readjustment."

Asked about the possibility of such a reduction before the meeting, he replied: "The possibility is always there because we are dealing with a commercial commodity."

Dr Otaiba said that he would like to see an agreement - requiring, whether at a price of \$34 or less. Looking ahead, he foresaw a drop in demand for Opec oil of 2 to 3 per cent from the 18.5m b/d average in 1982, with actual production dropping to 19m b/d or even 15m b/d with the summer seasonal rundown.

## Scala mobile agreement reached

Continued from Page 1

nally budgeted will be about £3,500bn (\$2.5bn). The settlement has at least temporarily increased the chances for survival of Sig Fandant's seven-week-old government.

The fragile political peace had also been threatened by an employers' warning that they would unilaterally stop paying indexed wage rises if the scala mobile was not reformed.

Sig Gianni de Michelis, State Industries Minister, yesterday declared the agreement "the most important document on industrial relations and policy for years."

● The scala mobile is based on an index of prices of basic commodities. It began at 100 in 1973 and each point on the index was worth £2,358, representing one per cent of the average worker's basic monthly wage at the time.

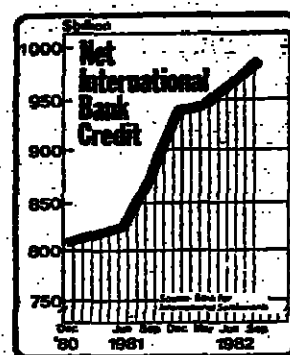
Every three months the index was recalculated - it now stands at 335 - so for every one per cent by which prices rose each employee obtained 3.35 times £2,358 - or £8,000 - in his monthly pay. Under the new system the index is to be wound back to 100 and the value of each point on the index has been set at £6,900 - or 15 per cent less than a one per cent rise in inflation produced under the old system.

Because the payments are added to everyone's wage equally, irrespective of his basic pay, a low-paid worker who paid no tax ought to be fully compensated for inflation, while a higher-paid worker would get much less protection.

In practice virtually all workers pay tax and social security contributions on their scala mobile payments so that even for low-paid people the degree of effective protection is less than 100 per cent.

## THE LEX COLUMN

## Banks spread their profits



The international banking crisis has left banks out of favour among the investing community. The Bank of International Settlements last week reported an actual decline in new lending to non-Opec developing countries for the third quarter, although the trend is likely to have reversed subsequently. At the same time, the U.S. bank reporting season got under way, with some of the big money-centre banks showing strong earnings gains for 1982.

The debate on how genuine these profits are is getting into full swing, and the U.S. banks are adopting different accounting procedures on bad - or non-performing - debts. The greatest conundrum is how to treat loans out to sovereign borrowers like Argentina and Mexico, which have rescheduled. Shorn of the technicalities, this looks an all or nothing game. If a major borrower like Mexico defaults then the degree of provisioning will be irrevocable. If the international lifeline that has been established in the last half year is successfully maintained, then the banks' income stream is assured, although the maturity of their assets may be longer than they had planned.

As banks' perception of risk has increased, spreads on international lending have been widening, and this should eventually show through in profits. At the same time the capital base of the international banking system may be under some pressure, which should boost spreads further in the medium term, if borrowing demand continues to grow.

The loan portfolio to countries on the "problem list" now approaches \$200bn, which compares with the published equity capital of the top 100 banks of \$150bn. With figures like this in mind, there was something near panic in the banking community in the weeks after Mexico announced a moratorium of repayments in August. Subsequently the central banking authorities have proved capable of marshalling a concerted response. Although there have been complaints, the international banks have co-operated in a simultaneous move to reschedule debt, to produce new loans and to maintain their presence in the interbank market.

The list of countries seeking rescheduling is still expanding, and there will no doubt be further shocks in coming months as the list grows further. But some discipline has been established and, even though the Opec surpluses are a thing of the past, liquidity remains healthy. Mexico and Brazil are both within 10 per cent of their targets for arranging fresh loans this year of \$3bn and \$4.5bn respectively. So while lending to non-Opec developing countries may have fallen in June-August, it should be rising again by the current quarter. Barring new shocks such as a fall in the oil price, renewed recession or a squeeze on international liquidity - none of which can be safely ruled out - it looks as if the lifeline is stable.

The banks have seen a deterioration in the quality of their loan assets generally, and their response over the last year has been to raise spreads. Mexico is paying an extra 1 per cent on a year ago, for instance, while even top names may be paying an extra ¼ per cent and more. The improvement to profits takes time to come through, since the new debt will often replace loans negotiated several years ago, when spreads may have been higher still. On rescheduled debt, however, higher rates can come into play for significant chunks of existing loans with immediate effect.

Capital/asset ratios in international banking have been falling for decades, but supervisory authorities are now insisting that the decline must stop. Retained earnings are not a significant source of new equity, while withdrawal of some banks - the U.S. regional, for instance - suggests some actual shrinkage in the capital base of the international banking system. Low stock market ratings mean that most banks have preferred to raise loan rather than equity capital in recent years. But many are approaching the end of this particular road; in the UK, Midland Bank's loan capital is now little short of the third of capital base that the Bank of England takes into consideration.

There is a shortage of "good" borrowers from banks at the moment while many are being creamed off by the Eurobond markets. So spreads remain thin at the top end of the market. The capital base constraint suggests that this could change given an easier economic background. In theory profits should rise until the banks return on capital is attractive enough to allow them to raise fresh equity. Stock market worries over the prospect both for capital calls and for a cautious dividend policy means that the banks' profit performance will have to be all the better in order for share prices to rise.

## Bundesbank

Turbulence in the foreign exchange markets is perhaps not a bad excuse to offer for the Bundesbank's refusal to cut its interest rates last week. But it hardly amounts to an adequate explanation. For six months now, the West German central bank has been devoting more attention to the deteriorating domestic economy than to the international financial markets.

The last time the Bundesbank cut its leading interest rates - by a full percentage point on December 3 - the D-Mark was, as it is now, above the 2.40 to the dollar level.

There are, however, important differences between then and now. For one thing, the D-Mark was strengthening in December and the trend is now in the other direction. Most important of all, an election is due on March 6. The Cassandras of the Frankfurt financial markets are arguing that if the election goes "wrong," which can mean anything from a hung parliament to a Social Democrat Chancellor - the D-Mark could find itself at the centre of a storm on the foreign exchanges as investors who have hitherto welcomed Dr Helmut Kohl's right of centre government, suddenly panic.

That would present the Bundesbank with a perplexing dilemma. It could hardly greet the new government with a defensive increase in domestic rates in the middle of a recession. Nor can the Bundesbank, like the Bank of England, claim that it is acting under orders from the government - it is politically independent. The central bank could shift the rates at its next meeting a week on Thursday, but it may well prefer to sit on its hands and see the colour of the incoming government before throwing away its valuable ammunition.

## Why we've got designs on your next building.



The two things necessary for the success of a building project are these: Responsibility. Control. Bovis Construction have built an entire contractual system around them. It's called Design, Manage, Construct - or Bovis D.M.C. And it works like this: With a broad concept in mind, and after agreeing a realistic cost plan, you appoint Bovis as contractors. We then jointly select the architect

and engineers for the job. Thereafter, the responsibility for the project, from start to finish, rests on Bovis. So if you'd like a builder who's prepared to answer for everything, you know who to ask: Bovis Construction. 01-422 3488. Ask for Bernard Hodgson. (Bovis Construction Limited, Bovis House, Northolt Road, Harrow, Middx. HA2 0EE.)

**Bovis D.M.C.**  
All you need to know about building.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Danner, Frankfurt/Main, A.V. Hare, R.A.P. McLean, M.C. Gorman, S.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors, Private Frankfurt Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: John Davies, Frankfurt/Main. © The Financial Times Ltd. 1983.

150 من المليون



السؤال الأول

**Hillier Parker**  
PROPERTY ADVISERS  
London (W1 & City), Edinburgh,  
Belgium, France, Holland,  
Germany, Italy, Australia  
and Landauer Assoc. Inc.-U.S.A.

# SECTION II - COMPANIES AND MARKETS

## FINANCIAL TIMES

Monday January 24 1983

**Thwaites**  
All drive 5 ton GIANT.  
Thwaites Ltd.  
Leamington Spa,  
England.  
Tel: 0926-22471

### Eurobond market starts week with \$3bn hangover

BY ALAN FRIEDMAN IN LONDON

THE EURODOLLAR bond market is sitting on billions of dollars of unsold bonds. That is the governing factor, and some bankers would say, the only factor of any importance this morning.

Records have tumbled during the past three weeks - the first \$1bn Eurobond issue, the lowest coupon in two years (for Texaco), the first \$3bn week the Eurodollar sector has witnessed. Yet none of these achievements, if that is what they are, changes the fact that the Eurodollar market is waking up this morning with a hangover.

It is estimated that of nearly \$8bn of dollar bonds launched this month, around half remain unsold. As a result, prices of January new issues are being marked lower and lower - and still it is difficult to find investor enthusiasm.

Last week saw Eurodollar bond prices marked two points down as dealers tried to send a message to new issue managers. The new issue managers refused to listen and pushed out a further \$1bn of new bonds on to an already overburdened market.

Thus it was no surprise that the Texaco 9% per cent bonds should be selling slowly and at a discount of 3 per cent on an issue price of 99%. Likewise, the BASF \$150m 9% per cent 1989 paper through Deutsche Bank, was finding few takers and was quoted at a discount of 4 per cent from par.

There are numerous other examples of new issues which are simply not being placed or placed only at a slow pace. As the Eurodollar market has been flooded with issues which are priced in anticipation of the next discount rate cut from the U.S. Federal Reserve, a great number of new bonds do not necessarily appeal to investors.

It has been very much a borrowers' market in recent weeks, with cut-throat competition among syndicate managers for new deals. The "machismo syndrome" continues

and the result is that the investor gets short shrift.

One banker involved in the competition for new deals put it this way: "These new bonds have an actual value well below the price they are being issued at. There is a lot of price adjustment which is necessary."

One key reason for the spate of low-coupon issues has been the popularity of partly-paid deals (20 or 30 per cent of the purchase price now and the balance next summer). The major Japanese securities houses have been jointly lead-managing several partly-paid issues and supposedly placing the paper in Japan.

The myth of full Japanese placement was beginning to disintegrate on Friday as it emerged that some of the paper had not actually gone to Japan, and was finding its way back on to the market.

What has happened? Two weeks ago the big Japanese houses were actually placing partly-paid issues in Japan. One week ago it seemed as though the paper was not really being placed any more, London bankers began saying the Japanese were "full up."

Today it seems that the great Japanese placement game is over. Nomura, Daiwa, Yamaichi and Nikko appear to be satiated with joint lead-managements and the flow of paper from Europe to Japan is erratic at best.

Things are not a great deal better in the Euro-sterling bond market, where S. G. Warburg last week won the mandate for a \$50m 1981 issue for the EEC. Warburg's winning bid was a coupon of 11% per cent at 99.80.

The market's verdict on this aggressive pricing was seen by Friday when the paper was quoted at 95 to 96, suggesting a yield close to 13 per cent, or put another way, around 60 basis points above the equivalent UK Treasury Stock 11% 1981. The pricing of the EEC deal had provided a yield below the Treasury Stock of 11.32 per cent.

### INTERNATIONAL CREDITS

## Small borrowers' debt difficulties need rethinking

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT, IN LONDON

THE CRISIS in international banking may have been brought under control, as many central bankers would have us believe, but last week served as a pointed reminder of how much remains to be done before banks can revert to business as normal.

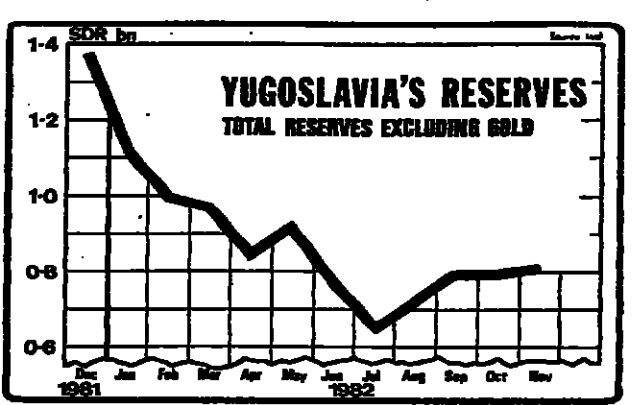
Quite apart from the \$1.5m safety net arranged for Seafirst Corporation of Seattle by a group of 13 large U.S. banks, it was another week in which the Eurocredit market was dominated more by problems than by new business. The debt difficulties of Chile, Yugoslavia, Venezuela and Romania all hit the headlines for one reason or another.

In each of these cases, the difficulties stem from localised economic problems, generally including serious mismanagement of foreign debt at a national level. But if there is a unifying theme, it is that the problems of these four countries have been compounded by the lack of confidence in the banking system following the upsets caused by giant borrowers such as Mexico, Brazil, Argentina and Poland.

This has impaired the ability of lesser borrowers to raise money on the international markets. After last week's developments, the question being asked in the Eurocredit markets is how far the lack of confidence in international lending is going to engulf a whole succession of countries before the contagion finally abates.

The answer to this question depends heavily on how the emerging problems are handled. One consolation is that banks, governments and the International Monetary Fund now have well-tried mechanisms in place to deal with debt problems as they occur. Using them effectively does, however, also depend heavily on the behaviour of the borrowing country.

It has long been argued in the Eurocredit market that Yugoslavia's problems need not have reached last week's crisis proportions, had the country adopted a more orderly approach to its borrowing and taken action sooner to curb the excesses of some regional entities such as Privredna Banka of Zagreb. Venezuela finds itself in a similar



position, where its ability to help itself will go a long way towards determining what happens in the months ahead.

There was some good news, however, in Venezuela last week as the Government got a grip on one wayward borrowing entity, the development agency, Corporacion Venezolana de Fomento (CVF). CVF has already paid about \$28m in back interest due to a syndicate of banks led by Bank of America, and has also been granted budgetary authorisation to make good some \$4m of arrears on loans it has guaranteed which would otherwise be in effective default.

But bad news came with the resignation of Sr Ignacio Sandoval, the country's Director General of Public Finance and a key figure in its relations with foreign banks. The taciturn Sr Sandoval did not enjoy a high reputation among foreign bankers, partly because of his inability to speak English. Concern has been aroused by the fact that his replacement, Sr Gustavo Galdo, is a civil engineer who, in the words of one banker "no one's ever heard of."

Meanwhile, Venezuela's programme to refinance a large part of its \$8.7bn in short-term debt is now falling seriously behind schedule and bankers believe it needs to be formally relaunched by Sr Arturo Sosa, the country's new Finance Minister.

Chile now seems set to negotiate at least a partial restructuring of its \$16.5bn foreign debt, most of which is owed by its ailing private sector. A group of 12 leading creditor banks is to hold a "fact-finding" meeting in New York today. This is to be followed by discussions with Chilean government officials.

Romania made considerable progress in rescheduling talks with banks last week, while Yugoslavia is to seek about \$3bn in new loans this year as part of a rescue package that also includes refinancing of debt owed to commercial banks and governments.

The commercial banks' part of this package is to refinance around \$1bn in maturing debt, renew some \$1.5bn in short-term credit lines and provide some \$750m in new money. There is, says one banker, "an aura of inevitability" about all this, but a meeting of leading banks on Friday threw up one potentially controversial point.

A consensus emerged that the borrowing entity for both the refinancing and the new money should be the National Bank of Yugoslavia, the central bank. This is likely to go down badly in Belgrade, where the federal government has resisted even the provision of a guarantee by its central bank to borrowings by the regional entities in the past.

Creditor banks are in the process of forming an advisory committee to handle the Yugoslav problem. It will be chaired on a non-voting basis by Manufacturers Hanover but individual membership is not yet firmly fixed.

### CURRENT INTERNATIONAL BOND ISSUES

Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yield %
<b>U.S. DOLLARS</b>							
EEF	300	1985	12	5 1/2	100	Morgan Guaranty	5.250
McDonald's Corp	75	1983	10	5 1/2	100	Merrill Lynch	9.875
CAFE	75	1980	7	11 3/4	95 1/4	Orion Bond	11.540
BASF	150	1989	6	9 1/4	100	Deutsche Bank	9.875
Neuchâtel AG	80	1983	10	8	100	Dresdner Bank	8.000
Williams & Stry's	100	1983	10	11	100	HBI Samuel	11.000
Industrial Bank of Japan	100	1990	7	10 1/4	95 1/4	B.I. Morgan Stanley	10.530
Venezuela, S. & Korea, Bank	50	1988	7	11 1/4	100	CSFB	11.375
Harcourt Trust	40	1988	15	8	-	CSFB	-
<b>SWISS FRANCES</b>							
Japan Ex-Im Bank	100	1983	10	5	100	SBC	5.000
Credit Suisse	100	1985	10	4 1/4	100	CS	4.500
Japan Steel Works	30	1988	5	5 1/4	100	Banca del Gottardo	5.250
Tokai	25	1988	5	5 1/4	100	Swiss Volksbank	5.750
Thyssen Ind. SH Luxembourg	40	1989	8	5 1/4	100	UBS	5.250
Union Bank of Norway	60	1983	10	5 1/4	100	UBS	5.375
Union Bank of Norway	25	1988	7	5 1/4	100	UBS	5.375
Boyer	50	1983	6	4 1/4	100	CS	4.750
Suisse Suisse	30	1988	5	5 1/4	100	UBS	5.750
BBM	200	1985	3	4	100	SBC	4.000
<b>SWISS FRANCES (cont)</b>							
Swissair Heavy Industry	70	1988	5	5 1/2	99 1/2	SBC	5.820
Cit. Securities de Ecu.	60	1988	5	7	100	UBS	7.000
Asian Development Bank	100	1995	12	5 1/4	-	UBS	-
Mokulito Electric Power Co.	100	1988	5	5 1/2	-	CS	-
Mindorf Computers	50	1989	6	5	100	CS	5.000
Republic of Finland	100	1989	6	5 1/4	100	SBC	5.250
<b>D-MARKS</b>							
CNT	200	1983	10	7 1/2	99 1/2	WestLB	7.570
Hippon Steel	150	1983	7	6 1/4	99	Deutsche Bank	6.940
<b>YEN</b>							
EBB	200m	1995	9	7.8	99 1/4	Nomura Sec.	7.837
<b>GUILLERDS</b>							
World Bank	150	1988	5	7	89.50	ABN, AmroBank	7.122
<b>STERLING</b>							
EEC	50	1991	8	11 1/4	89.80	S. G. Warburg	11.920
<b>NEW ZEALAND DOLLAR</b>							
McDonald's	12	1988	5	15	100	Banque Paribas	15.000

\* Not yet priced. † Final terms. \*\* Placement. † Floating rate note. ‡ Medium-term. § Convertible. ¶ In three tranches. || Includes FRM tranche. †† Registered with U.S. Securities and Exchange Commission. Note: Yields are calculated on ARB basis.

This announcement appears as a matter of record only

**INFRAERO**

**Empresa Brasileira de Infra-Estrutura Aeroportuária**

**US \$150,000,000**  
First French Export Credit Facility Refinanced in Foreign Currency  
and  
**US \$150,000,000**  
Medium Term Eurocurrency Loan  
financing for the radar coverage of North East Brazil in connection with the supply of equipment and services to be provided by Thomson-CSF

Guaranteed by  
**The Federative Republic of Brazil**

**US \$150,000,000**  
First French Export Credit Facility  
Refinanced in Foreign Currency

Lead Managed by  
Banque Paribas  
Banque Nationale de Paris  
Crédit Lyonnais

Provided by  
Banque Paribas  
Banque Nationale de Paris  
Crédit Lyonnais  
Banque Indosuez  
Crédit du Nord

Morgan Guaranty Trust Company of New York  
Union de Banques Arabes et Françaises

Long Term Instalment  
Banque Française du Commerce Extérieur

**US \$150,000,000**  
Medium Term Eurocurrency Loan

Lead Managed by  
Banque Paribas  
Banque Nationale de Paris  
Crédit Lyonnais

Managed by  
Banque Indosuez

Co-Managed by  
Crédit du Nord  
Morgan Guaranty Trust Company of New York

Provided by  
Banque Paribas  
Banque Nationale de Paris  
Crédit Lyonnais  
Banque Indosuez  
Crédit du Nord

Morgan Guaranty Trust Company of New York  
Union de Banques Arabes et Françaises

Agent  
Banque Nationale de Paris

Arranged and Coordinated by  
**Banque Paribas**

**PARIBAS**

December 1982

This advertisement complies with the requirements of The Stock Exchange of the United Kingdom and the Republic of Ireland. It does not constitute an offer of, or an invitation to subscribe for or to purchase, any securities.

**Amsterdam-Rotterdam Bank N.V.**  
(Incorporated with limited liability in The Netherlands)

**Issue of up to U.S. \$175,000,000**  
10 3/4 per cent. Notes due 1990  
of which U.S. \$125,000,000 is being issued  
as the Initial Tranche  
at an Issue Price of 100 per cent., to be paid  
as to 20 per cent. on 31st January, 1983 and 80 per cent.  
(adjusted for interest) on 29th July, 1983.

The following have agreed to subscribe or procure subscribers for the Initial Tranche:

**Amro International Limited**

**Commerzbank Aktiengesellschaft**

**Deutsche Bank Aktiengesellschaft**

**Merrill Lynch International & Co.**

**Morgan Stanley International**

**Société Générale**

**Union Bank of Switzerland (Securities) Limited**

**The Nikko Securities Co., (Europe) Ltd.**

**Manufacturers Hanover Limited**

**Creditanstalt-Bankverein**

**European Banking Company Limited**

**Morgan Guaranty Ltd**

**Orion Royal Bank Limited**

**Swiss Bank Corporation International Limited**

**S.G. Warburg & Co. Ltd.**

The Notes of U.S. \$1,000 and U.S. \$10,000 each have been admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary Global Note representing the Initial Tranche.

Interest will be payable on 1st August, in 1983 on 20 per cent. of the principal amount, and annually thereafter on 100 per cent. of the principal amount.

Particulars relating to Amsterdam-Rotterdam Bank N.V. and the Notes are available from Extel Statistical Services Limited and, in relation to the Notes, may be obtained during normal business hours up to and including 7th February, 1983 from:

**Cazenove & Co.,**  
12 Tokenhouse Yard,  
London EC2R 7AN

24th January, 1983







## CURRENCIES, MONEY and CAPITAL MARKETS

## FOREIGN EXCHANGES

## Changing fortunes of the pound

BY COLIN MILLHAM

Sterling was generally firmer last week, but financial markets remained nervous because of the pound's low level against the dollar. This was largely the result of money flowing back into the U.S. currency because of the delayed cut in the Federal Reserve discount rate and the fall from favour of the D-mark on nervousness about the West German general election in March.

On Friday sterling finished at a record closing low of \$1.5670, compared with the previous low of \$1.5700 set on October 22, 1976. But the trade-weighted index is now 82.8, compared with the equivalent of 77.6 in 1976.

In terms of Britain's other

major European competitors

sterling is still very firm

although in some cases not quite

as strong as at the end of 1980.

During the 61 year period the

pound has advanced to around

FFr 10.85 from Ffr 7.85 against

the French franc; to Ffr 4.20 from

Ffr 3.350 against the guilder; to

Y461.80 from Yfr 87.80 in terms

of the Belgian franc; and to

L2,180 from L1,355 against the

lira.

At the time of the U.S.

Presidential Election on

November 4, 1980 sterling hit a

peak for recent years of \$2.4540, and comparable figures against Continental currencies were: DM 4.7025; SwFr 4.22; Ffr 10.81; Yfr 4.22; Lfr 2.18; and Lfr 2.18. This paints rather a strange picture, with the pound little changed from its 1976 level against the D-mark when sterling was at a low against the dollar. But also hardly changed from 1980 levels against the weaker members of the EMS, such as the French franc, Belgian franc and lira, when the pound was at a peak against the dollar.

## FORWARD RATES AGAINST STERLING

	Spot	1 month	3 months	6 months	12 months
Dollar	1.5670	1.5670	1.5670	1.5670	1.5670
D-Mark	3.3525	3.3525	3.3525	3.3525	3.3525
French Franc	10.8500	10.8500	10.8500	10.8500	10.8500
Swiss Franc	3.2500	3.2500	3.2500	3.2500	3.2500
Japanese Yen	270.5	270.5	270.5	270.5	270.5

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Bills on offer	£100m	£100m	£100m	£100m
Total of	£286,750m	£286,750m	£286,750m	£286,750m
Minimum	£100m	£100m	£100m	£100m
Accepted bid	£27,510	£27,510	£27,510	£27,510
Allocation at minimum level	14%	8%	8%	8%

## CURRENCY MOVEMENTS

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Dollar	1.5670	1.5670	1.5670	1.5670
D-Mark	3.3525	3.3525	3.3525	3.3525
French Franc	10.8500	10.8500	10.8500	10.8500
Swiss Franc	3.2500	3.2500	3.2500	3.2500
Japanese Yen	270.5	270.5	270.5	270.5

## THE DOLLAR SPOT AND FORWARD

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
U.S.	1.5640-1.5680	1.5640-1.5680	1.5640-1.5680	1.5640-1.5680
Canada	1.5620-1.5660	1.5620-1.5660	1.5620-1.5660	1.5620-1.5660
Netherlands	1.5600-1.5640	1.5600-1.5640	1.5600-1.5640	1.5600-1.5640
Belgium	1.5580-1.5620	1.5580-1.5620	1.5580-1.5620	1.5580-1.5620
Denmark	1.5560-1.5600	1.5560-1.5600	1.5560-1.5600	1.5560-1.5600
Ireland	1.5540-1.5580	1.5540-1.5580	1.5540-1.5580	1.5540-1.5580
Portugal	1.5520-1.5560	1.5520-1.5560	1.5520-1.5560	1.5520-1.5560
Spain	1.5500-1.5540	1.5500-1.5540	1.5500-1.5540	1.5500-1.5540
Norway	1.5480-1.5520	1.5480-1.5520	1.5480-1.5520	1.5480-1.5520
France	1.5460-1.5500	1.5460-1.5500	1.5460-1.5500	1.5460-1.5500
Sweden	1.5440-1.5480	1.5440-1.5480	1.5440-1.5480	1.5440-1.5480
Japan	1.5420-1.5460	1.5420-1.5460	1.5420-1.5460	1.5420-1.5460
Austria	1.5400-1.5440	1.5400-1.5440	1.5400-1.5440	1.5400-1.5440
Switzerland	1.5380-1.5420	1.5380-1.5420	1.5380-1.5420	1.5380-1.5420

Belgian rate is for convertible franc. Financial rate 77.75-77.85. Six-month forward dollar 1.32-1.32c pm, 12-month 2.30-2.15c pm.

## EMS EUROPEAN CURRENCY UNIT RATES

	ECU central bank	ECU against ECU	% change	% change	Divergence
Belgium Franc	44.8704	45.0221	-0.33	-0.33	-0.33
Dutch Guilder	3.5360	3.5360	0.00	0.00	0.00
French Franc	6.5596	6.5596	0.00	0.00	0.00
German Mark	1.9363	1.9363	0.00	0.00	0.00
Italian Lira	136.27	136.27	0.00	0.00	0.00

## OTHER CURRENCIES

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Argentine Peso	81.502-81.548	81.502-81.548	81.502-81.548	81.502-81.548
Brazil Cruzeiro	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Chilean Peso	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Colombian Peso	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Costa Rican Colon	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Czechoslovak Koruna	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Dominican Republic	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Ecuadorian Dollar	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
El Salvador Colon	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Guatemalan Quetzal	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Honduran Lempira	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Indian Rupee	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Israeli Sheqel	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Kenyan Shilling	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Malaysian Ringgit	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Mexican Peso	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Nicaraguan Cordoba	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Panamanian Balboa	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Paraguayan Guaraní	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Peruvian Sol	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Salvador Colon	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Surinamese Dollar	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Taiwan Dollar	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Uruguayan Peso	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34
Venezuelan Bolívar	110.34-110.34	110.34-110.34	110.34-110.34	110.34-110.34

## THE POUND SPOT AND FORWARD

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
U.S.	1.5640-1.5680	1.5640-1.5680	1.5640-1.5680	1.5640-1.5680
Canada	1.5620-1.5660	1.5620-1.5660	1.5620-1.5660	1.5620-1.5660
Netherlands	1.5600-1.5640	1.5600-1.5640	1.5600-1.5640	1.5600-1.5640
Belgium	1.5580-1.5620	1.5580-1.5620	1.5580-1.5620	1.5580-1.5620
Denmark	1.5560-1.5600	1.5560-1.5600	1.5560-1.5600	1.5560-1.5600
Ireland	1.5540-1.5580	1.5540-1.5580	1.5540-1.5580	1.5540-1.5580
Portugal	1.5520-1.5560	1.5520-1.5560	1.5520-1.5560	1.5520-1.5560
Spain	1.5500-1.5540	1.5500-1.5540	1.5500-1.5540	1.5500-1.5540
Norway	1.5480-1.5520	1.5480-1.5520	1.5480-1.5520	1.5480-1.5520
France	1.5460-1.5500	1.5460-1.5500	1.5460-1.5500	1.5460-1.5500
Sweden	1.5440-1.5480	1.5440-1.5480	1.5440-1.5480	1.5440-1.5480
Japan	1.5420-1.5460	1.5420-1.5460	1.5420-1.5460	1.5420-1.5460
Austria	1.5400-1.5440	1.5400-1.5440	1.5400-1.5440	1.5400-1.5440
Switzerland	1.5380-1.5420	1.5380-1.5420	1.5380-1.5420	1.5380-1.5420

Belgian rate is for convertible franc. Financial rate 77.75-77.85. Six-month forward dollar 1.32-1.32c pm, 12-month 2.30-2.15c pm.

## EXCHANGE CROSS RATES

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Pound Sterling	1.5670	1.5670	1.5670	1.5670
U.S. Dollar	1.5670	1.5670	1.5670	1.5670
Deutsche Mark	3.3525	3.3525	3.3525	3.3525
Japanese Yen	270.5	270.5	270.5	270.5
French Franc	10.8500	10.8500	10.8500	10.8500
Swiss Franc	3.2500	3.2500	3.2500	3.2500
Dutch Guilder	3.5360	3.5360	3.5360	3.5360
Italian Lira	136.27	136.27	136.27	136.27
Canadian Dollar	1.5670	1.5670	1.5670	1.5670
Belgian Franc	1.5670	1.5670	1.5670	1.5670

## MONEY MARKETS

## Coping with the shortages

London's money market was very short of funds on Monday and Friday last week, but managed to negotiate one of the more difficult weeks of the year without any major change in short-term interest rates. The day-to-day position is particularly short in January because of corporate tax payments and this has been exacerbated by large numbers of bills maturing in the hands of the authorities, and the unwinding of repurchase agreements. This refers to bill repurchases, but as announced last week earlier the Bank of England also entered into gilt repo on Friday.

The Friday shortage of £650m was reduced by about £110m made available through gilt repos, and would otherwise have exceeded £1.5bn. Monday's shortage was in the region of £1bn, but these large figures had little influence on interest rate trends because the market received generous assistance from the authorities. Sterling's weakness against the dollar tended to push up longer term fixed periods slightly, but this trend gained no strong momentum because the market accepted that any further pressure on the pound would be taken on the foreign exchanges rather than lead to another increase in clearing bank base rates.

## LONDON MONEY RATES

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Overnight	11 1/2	11 1/2	11 1/2	11 1/2
9 days notice	11 1/2	11 1/2	11 1/2	11 1/2
1 month	11 1/2	11 1/2	11 1/2	11 1/2
3 months	11 1/2	11 1/2	11 1/2	11 1/2
6 months	11 1/2	11 1/2	11 1/2	11 1/2
12 months	11 1/2	11 1/2	11 1/2	11 1/2

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period December 8 1982 to January 4 1983 (inclusive): 10.533 per cent.

Local authorities and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 11 1/2 per cent, five years 12 per cent, 10 years 13 per cent. Bank bill rates in table are buying rates for prime paper. Buying rate for four month bank bills 10 1/2-10 3/4 per cent; four month trade bills 11 1/2 per cent. Approximate selling rate for one month Treasury bills 11 per cent; two months 10 1/2-11 per cent and three months 10 1/2-10 3/4 per cent. Approximate selling rate for one month bank bills 11 1/2 per cent; two months 10 1/2-11 per cent and three months 10 1/2-10 3/4 per cent. Finance House Base Rates (published by the Finance House Association) 10 1/2 per cent. London and Scottish Clearing Bank Rates for lending 10 1/2 per cent. London Deposit Rates for sums at seven days' notice 7 1/2 per cent. Treasury Bills: Average tender rate of discount 10.750 per cent. Certificates of Tax Deposit (Series 5). Deposits of £100,000 and over held under one month 11 1/2 per cent; three-month 12 1/2 per cent; six-month 13 1/2 per cent. Unsecured deposits 11 per cent from January 17. Deposits held under Series 5 11 1/2 per cent. The rate for all deposits withdrawn for cash 8 1/2 per cent.

## INTEREST RATES

## EURO-CURRENCY INTEREST RATES

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Starting	11 1/2	11 1/2	11 1/2	11 1/2
U.S. Dollar	11 1/2	11 1/2	11 1/2	11 1/2
Deutsche Mark	11 1/2	11 1/2	11 1/2	11 1/2
Japanese Yen	11 1/2	11 1/2	11 1/2	11 1/2
French Franc	11 1/2	11 1/2	11 1/2	11 1/2
Swiss Franc	11 1/2	11 1/2	11 1/2	11 1/2
Dutch Guilder	11 1/2	11 1/2	11 1/2	11 1/2
Italian Lira	11 1/2	11 1/2	11 1/2	11 1/2
Canadian Dollar	11 1/2	11 1/2	11 1/2	11 1/2
Belgian Franc	11 1/2	11 1/2	11 1/2	11 1/2

## FT LONDON INTERBANK FIXING

FT LONDON INTERBANK MARKET			
11.00 a.m. JANUARY 31			
3 months U.S. dollars		6 months U.S. dollars	
bid 8 7/8	offer 9	bid 9 1/16	offer 9 5/16

The fixing rates are the arithmetic mean, rounded to the nearest one-eighth, of the bid and offered rates for 1000 quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Paribas and Morgan Guaranty Trust.

## MONEY RATES

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Prime rate	11	11	11	11
Fixed funds (lunch-time)	8 1/2	8 1/2	8 1/2	8 1/2
Treasury bills (28-week)	7 1/2	7 1/2	7 1/2	7 1/2

## GERMANY

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Overnight	8.0	8.0	8.0	8.0
One month	8.0	8.0	8.0	8.0
Three months	8.0	8.0	8.0	8.0
Six months	8.0	8.0	8.0	8.0

## FRANCE

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Overnight	12.5	12.5	12.5	12.5
One month	12.5	12.5	12.5	12.5
Three months	12.5	12.5	12.5	12.5
Six months	12.5	12.5	12.5	12.5

## JAPAN

	Jan. 21	Jan. 14	Jan. 7	Jan. 1
Overnight	5.5	5.5	5.5	5.5
One month	5.5	5.5	5.5	5.5
Three months	5.5	5.5	5.5	5.5
Six months	5.5	5.5	5.5	5.5

## NETHERLANDS

	Jan. 21	Jan. 14	
--	---------	---------	--











# North American Quarterly Results

# THE WEEK IN THE COURTS

## Attempt to extend the penalty area may go beyond what is appropriate

LAW IS sometimes like the rules of sport. If a footballer commits a foul in the penalty area, he knows the game decrees that he should pay the price of a near-certain goal. But no-one suggests his team should be visited with extra penalties that go beyond what is appropriate. So it is with the attitude of the law to the terms of a commercial contract.

Parties to a contract must perform their obligations according to the terms of their bargain. If one party is in default, he must pay compensation for the damage he has caused to the other party; but he cannot be made to pay more than adequate compensation, not even if he has contracted to pay more than proper compensation.

Thus, where a contract fixes the amount to be paid in damages in the event of there being a breach, the court would consider whether at the time it was so fixed it represented a genuine pre-estimate of the damage which would result from the breach. If it did, all well and good; the court would uphold that estimated amount, even if in the outcome the actual damage may be less. If, on the other hand, the amount fixed is unrelated to the probable damage, the court would blow the whistle and not permit the aggrieved party to recover what is in effect something more than the appropriate penalty and will award only the ascertained true damage.

These considerations have never been applied other than to the parties to a contract which one of them has broken. Relief against enforcement of the precise provisions of a contract is, after all, an exception to the principle that bargains are to be faithfully kept. In general, contracts are strictly enforceable without any gloss or modification, even if they

prove excessively onerous to a party and show him to have entered into an improvident bargain.

In *Export Credits Guarantees Department v Universal Oil Products Company and others*, an attempt to extend the penalty area, which the law has so far not recognised, was boldly made. The circumstances were these. Three Newfoundland companies (which were set up by the Government of Newfoundland and became concerned with the purchase and operation of an oil refinery at Come-by-Chance Bay in Newfoundland) entered in 1970 into a complex financing operation. In essence, the Newfoundland companies issued promissory notes maturing on different dates. Kleinwort Benson, acting on its own behalf and for other banks, provided money in return for the promissory notes. The money was paid to the third defendant, an English company called Procon (Great Britain) Limited ("Procon").

The Export Credits Guarantees Department (ECGD) guaranteed the banks that if any of the promissory notes were dishonoured on maturity, it would indemnify them. In return, there was a premium agreement between two U.S. companies (which were designing and constructing the refinery) together with Procon and ECGD that the latter would pay sums totalling more than £1m as premiums for the guarantees.

The oil refinery was built and put into operation, but because of the circumstances of the oil market in the mid-1970s the Newfoundland companies went into liquidation, leaving 17 batches of promissory notes, each totalling more than £3m, dishonoured on presentation. The banks were duly reimbursed by the guarantee and ECGD had to pay to the banks a total of £39m, which with interest had accumulated to £50m.

ECGD claimed entitlement to reimbursement because the three defendants were in default in the performance of their obligation. In addition to the demand for premiums which it was undertaking, ECGD, in seeking to limit the risk it was incurring, required the companies to indemnify it against losses which it might find itself obliged to pay to Kleinwort Benson by reason of Clause 7 of the contracts.

It began by expressly stating that the premiums payable were not intended to and did not cover payments made by ECGD by reason of any default by the American building and operating companies. It then provided: "Upon payment by the guarantors to Kleinwort Benson of any sum... the sum shall be deemed to be paid to the guarantors a sum equal to that paid by the guarantors to Kleinwort Benson." It was recognised by everyone that the very nature of Clause 7 was such that the sums which the companies might find themselves bound to repay might be largely out of all proportion to the damage which ECGD would have actually suffered as a result of the relevant breach of contract by those companies.

The question of principle was whether the doctrine of penalties is capable of applying in a case where the terms of the contract between A and B provide that A is to pay B the stated sum in the event of non-performance by A of one or more of the contractual obligations owed by A, not to B himself but to a third party, C. The trial judge and the Court of Appeal rejected any suggestion that the law should extend the doctrine of penalties beyond the bilateral agreement between contracting parties.

Counsel for the defendants acknowledged that he could not argue that his clients should obtain some relief on the ground that the strict enforcement of

a contractual provision resulted in oppression or undue hardship or the imposition of an unforeseen and intolerable burden on a contracting party. In truth, it was a penalty, notwithstanding that the indemnity arose from a breach of contract as between the companies and ECGD. The argument was that such a harsh and unconscionable result demonstrated that Clause 7 was a penalty clause. The judges took the view that all that this analysis demonstrated was that from the defendants' point of view the indemnity was an improvident bargain, but that did not bring them within the penalty area demarcated by the law.

Last Thursday the House of Lords gave the defendants leave to appeal mainly because the amounts involved are so large that there ought to be an opportunity for the highest court in the land to review the limited nature of the doctrine of penalties.

ECGD annually guarantees, upon terms indistinguishable from clause 7, amounts to the order of £20m. Since even minor breaches of contract are virtually unavoidable in most contracts of any size, almost all payments actually made by ECGD are in principle repayable by the exporter. This, it is argued, provides a trap to the unwary exporter, which could lead to his insolvency where the overseas customer defaulted on his repayments. No exporter can now be advised to agree to a business upon the basis of a guarantee containing something akin to clause 7. This is crucial, as there is no significant source of credit finance for exports from the UK other than ECGD which is almost a monopoly supplier of finance to the exporter who accepts the onerous terms of the ECGD guarantee, or fails to do the export business.

AMTORG INDUSTRIES			
First quarter	1982/83	1981/82	\$
Revenue	112.8m	106.4m	
Net profit	13.4m	13.1m	
Net per share	0.33	0.33	
Loss			
ALBERTO-CULVER			
First quarter	1982/83	1981/82	\$
Revenue	76.3m	61.4m	
Net profit	60.0m	1.6m	
Net per share	0.18	0.39	
AMERICAN ELECTRIC POWER			
Fourth quarter	1982	1981	\$
Revenue	96.1m	102.6m	
Net profit	92.7m	107.8m	
Net per share	0.55	0.69	
Year			
Revenue	4.18m	4.18m	
Net profit	35.0m	26.3m	
Net per share	2.03	2.37	
BANCA TRI-STATE			
Fourth quarter	1982	1981	\$
Revenue	2.7m	2.2m	
Net profit	0.56	0.45	
Year			
Revenue	5.8m	11.8m	
Net profit	2.00	2.45	
CESSNA AIRCRAFT			
First quarter	1982/83	1981/82	\$
Revenue	145.4m	281.3m	
Net profit	1.82m	15.4m	
Net per share	0.10	0.75	
DENNY'S INC.			
Second quarter	1982/83	1981/82	\$
Revenue	26.0m	29.0m	
Net profit	8.7m	8.5m	
Net per share	0.60	0.57	
Six months			
Revenue	52.5m	47.2m	
Net profit	20.7m	19.2m	
Net per share	1.41	1.29	
FINANCIAL CORP. OF AMERICA			
Fourth quarter	1982	1981	\$
Revenue	216.4m	130.7m	
Net profit	13.7m	5.3m	
Net per share	0.89	0.37	
Year			
Revenue	775.3m	368.0m	
Net profit	36.7m	16.2m	
Net per share	2.40	1.20	
1ST PENNSYLVANIA			
Fourth quarter	1982	1981	\$
Revenue	16.7m	16.1m	
Net profit	10.42m	10.3m	
Net per share	1.62	1.53	
Year			
Revenue	116.7m	152.3m	
Net profit	11.17	10.33	
Loss			

### AUTHORISED UNIT TRUSTS

Abbey Unit Tr. Mgrs. (a)	1.3 St Paul's Churchyard EC4P 4DX	01-226-1835
Abbey Fund	100.00	100.00
Abbey Growth	100.00	100.00
Abbey Income	100.00	100.00
Abbey Property	100.00	100.00
Abbey World	100.00	100.00
Abbey Bond	100.00	100.00
Abbey Dividend	100.00	100.00
Abbey Share	100.00	100.00
Abbey Index	100.00	100.00
Abbey Cash	100.00	100.00
Abbey Short	100.00	100.00
Abbey Long	100.00	100.00
Abbey Hedge	100.00	100.00
Abbey Arbitrage	100.00	100.00
Abbey Commodity	100.00	100.00
Abbey Energy	100.00	100.00
Abbey Metals	100.00	100.00
Abbey Precious	100.00	100.00
Abbey Natural	100.00	100.00
Abbey Environmental	100.00	100.00
Abbey Social	100.00	100.00
Abbey Ethical	100.00	100.00
Abbey Sustainable	100.00	100.00
Abbey Responsible	100.00	100.00
Abbey Impact	100.00	100.00
Abbey Positive	100.00	100.00
Abbey Negative	100.00	100.00
Abbey Neutral	100.00	100.00
Abbey Balanced	100.00	100.00
Abbey Aggressive	100.00	100.00
Abbey Conservative	100.00	100.00
Abbey Moderate	100.00	100.00
Abbey Speculative	100.00	100.00
Abbey High Risk	100.00	100.00
Abbey Low Risk	100.00	100.00
Abbey Medium Risk	100.00	100.00
Abbey Very High Risk	100.00	100.00
Abbey Very Low Risk	100.00	100.00
Abbey Extreme Risk	100.00	100.00
Abbey Extreme Low Risk	100.00	100.00
Abbey Extreme High Risk	100.00	100.00
Abbey Extreme Low Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme High Low Risk	100.00	100.00
Abbey Extreme High High Risk	100.00	100.00
Abbey Extreme Low Low Low Risk	100.00	100.00
Abbey Extreme Low Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High High Risk	100.00	100.00
Abbey Extreme High Low Low Risk	100.00	100.00
Abbey Extreme High Low High Risk	100.00	100.00
Abbey Extreme High High Low Risk	100.00	100.00
Abbey Extreme High High High Risk	100.00	100.00
Abbey Extreme Low Low Low Low Risk	100.00	100.00
Abbey Extreme Low Low Low High Risk	100.00	100.00
Abbey Extreme Low Low High Low Risk	100.00	100.00
Abbey Extreme Low Low High High Risk	100.00	100.00
Abbey Extreme Low High Low Low Risk	100.00	100.00
Abbey Extreme Low High Low High Risk	100.00	100.00
Abbey Extreme Low High High Low Risk	100.00	100.00
Abbey Extreme Low High High High Risk	100.00	100.00
Abbey Extreme High Low Low Low Risk	100.00	100.00
Abbey Extreme High Low Low High Risk	100.00	100.00
Abbey Extreme High Low High Low Risk	100.00	100.00
Abbey Extreme High Low High High Risk	100.00	100.00
Abbey Extreme High High Low Low Risk	100.00	100.00
Abbey Extreme High High Low High Risk	100.00	100.00
Abbey Extreme High High High Low Risk	100.00	100.00
Abbey Extreme High High High High Risk	100.00	100.00
Abbey Extreme Low Low Low Low Low Risk	100.00	100.00
Abbey Extreme Low Low Low Low High Risk	100.00	100.00
Abbey Extreme Low Low Low Low High Low Risk	100.00	100.00
Abbey Extreme Low Low Low Low High High Risk	100.00	100.00
Abbey Extreme Low Low Low High Low Low Risk	100.00	100.00
Abbey Extreme Low Low Low High Low High Risk	100.00	100.00
Abbey Extreme Low Low Low High High Low Risk	100.00	100.00
Abbey Extreme Low Low Low High High High Risk	100.00	100.00
Abbey Extreme Low Low High Low Low Low Risk	100.00	100.00
Abbey Extreme Low Low High Low Low High Risk	100.00	100.00
Abbey Extreme Low Low High Low High Low Risk	100.00	100.00
Abbey Extreme Low Low High Low High High Risk	100.00	100.00
Abbey Extreme Low Low High High Low Low Risk	100.00	100.00
Abbey Extreme Low Low High High Low High Risk	100.00	100.00
Abbey Extreme Low Low High High High Low Risk	100.00	100.00
Abbey Extreme Low Low High High High High Risk	100.00	100.00
Abbey Extreme Low High Low Low Low Low Risk	100.00	100.00
Abbey Extreme Low High Low Low Low High Risk	100.00	100.00
Abbey Extreme Low High Low Low Low High Low Risk	100.00	100.00
Abbey Extreme Low High Low Low Low High High Risk	100.00	100.00
Abbey Extreme Low High Low Low High Low Low Risk	100.00	100.00
Abbey Extreme Low High Low Low High Low High Risk	100.00	100.00
Abbey Extreme Low High Low Low High High Low Risk	100.00	100.00
Abbey Extreme Low High Low Low High High High Risk	100.00	100.00
Abbey Extreme Low High Low High Low Low Low Risk	100.00	100.00
Abbey Extreme Low High Low High Low Low High Risk	100.00	100.00
Abbey Extreme Low High Low High Low High Low Risk	100.00	100.00
Abbey Extreme Low High Low High Low High High Risk	100.00	100.00
Abbey Extreme Low High Low High High Low Low Risk	100.00	100.00
Abbey Extreme Low High Low High High Low High Risk	100.00	100.00
Abbey Extreme Low High Low High High High Low Risk	100.00	100.00
Abbey Extreme Low High Low High High High High Risk	100.00	100.00
Abbey Extreme Low High High Low Low Low Low Risk	100.00	100.00
Abbey Extreme Low High High Low Low Low High Risk	100.00	100.00
Abbey Extreme Low High High Low Low Low High Low Risk	100.00	100.00
Abbey Extreme Low High High Low Low Low High High Risk	100.00	100.00
Abbey Extreme Low High High Low Low High Low Low Risk	100.00	100.00
Abbey Extreme Low High High Low Low High Low High Risk	100.00	100.00
Abbey Extreme Low High High Low Low High High Low Risk	100.00	100.00
Abbey Extreme Low High High Low Low High High High Risk	100.00	100.00
Abbey Extreme Low High High High Low Low Low Risk	100.00	100.00
Abbey Extreme Low High High High Low Low High Risk	100.00	100.00
Abbey Extreme Low High High High Low Low High Low Risk	100.00	100.00
Abbey Extreme Low High High High Low Low High High Risk	100.00	100.00
Abbey Extreme Low High High High Low High Low Low Risk	100.00	100.00
Abbey Extreme Low High High High Low High Low High Risk	100.00	100.00
Abbey Extreme Low High High High Low High High Low Risk	100.00	100.00
Abbey Extreme Low High High High Low High High High Risk	100.00	100.00
Abbey Extreme Low High High High High Low Low Risk	100.00	100.00
Abbey Extreme Low High High High High Low High Risk	100.00	100.00
Abbey Extreme Low High High High High Low High Low Risk	100.00	100.00
Abbey Extreme Low High High High High Low High High Risk	100.00	100.00
Abbey Extreme Low High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High High High High Risk	100.00	100.00
Abbey Extreme Low High High High High High High High High High High High High High High High High High High High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High Risk	100.00	100.00
Abbey Extreme Low High Low Risk	100.00	100.00
Abbey Extreme Low High		











INDUSTRIALS—Continued

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

LEISURE—Continued

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

PROPERTY—Continued

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

INVESTMENT TRUSTS—Cont.

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

OIL AND GAS—Continued

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

**NIKKO**  
THE NIKKO SECURITIES CO. LTD.  
The Nikko Securities Co. (Europe) Ltd.  
Nikko House, 17 Godalman Street,  
London, EC4A 3DF  
Tel: 248-4811 Telex: 884717

MINES—Continued

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

INSURANCE

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

LEISURE

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

PROPERTY

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

INVESTMENT TRUSTS

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

OIL AND GAS

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

REGIONAL AND IRISH STOCKS

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

OPTIONS

3-month Call Rates

Company	Stock	Price	Change	Div	Yield
Admiral	100	12.50	0.00	0.00	0.00
Anglo American	100	12.50	0.00	0.00	0.00
Anglo Siam	100	12.50	0.00	0.00	0.00
Anglo-Tex	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00
Anglo-Thai	100	12.50	0.00	0.00	0.00

Recent Issues and "Rights" Page 16  
This service is available to every company that is on the  
Exchanges throughout the United Kingdom for a fee of £500  
per annum for each security



